

C/S



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

The Rt Hon Malcolm Rifkind MP
Scottish Office
Dover House
Whitehall
LONDON
SW1

21 November 1986

Dear Malcolm

NBP 7.

TIMING OF REVALUATIONS

at trap

Thank you for your letter of 14 November replying to mine of 5 November to Willie Whitelaw about non-domestic rate issues. I dealt with most of the outstanding points in my minute of 18 November to the Prime Minister, which we discussed at E(LF).

In that minute, written before I had seen your letter, I undertook to write separately about the issue I understood you were likely to raise on the timing of future revaluations. In the event, your letter did not refer to this; but I think it would still be helpful to ensure we are at one on the subject before L Committee considers your Bill.

Clause 5 in your Bill provides that there shall no longer be a requirement for quinquennial revaluations in Scotland, but that instead the timing of revaluation in Scotland should be provided for by order as it is now in England.

This proposal causes me some difficulty. As you know, I propose to hold a revaluation in England in 1990, to coincide both with the coming into effect of the "Paying for Local Government" legislation in England, and with the next quinquennial revaluation due in Scotland. I have made this clear in public on a number of occasions. I expect to lay the two orders providing for this shortly, probably before Christmas or shortly thereafter. For the longer term I have in mind, in the legislation implementing the Green Paper proposals in England, to reintroduce a requirement for regular - probably quinquennial - revaluations.

I fully appreciate your concern, after your experience in 1985, not to have another Scottish revaluation which is not synchronised with one in England and Wales. It would, however, look anomalous and it would be difficult to explain why you were moving away from fixed revaluation dates if we are moving in the other direction.

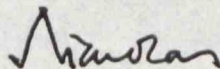
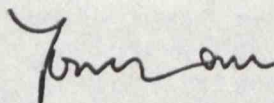
I would hope that you could rely on my firm assurance that there will be a revaluation in England in 1990 to defend yourself

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against the charge that Scottish ratepayers alone may again have to suffer the turbulence of revaluation, and that Clause 5 might be omitted from the Bill as introduced. If you feel you cannot, I would ask as a minimum that you agree to drop the clause once my revaluation order has been laid and been approved by affirmative resolution. Meanwhile I would ask you, in defending the clause, to make clear that it remains our firm intention to have a non-domestic revaluation throughout Great Britain in 1990. I should be grateful for your agreement that you are prepared to proceed in this way.

I am writing separately in response to your letter to Norman Lamont about harmonisation of valuation practice.

I am copying this to members of E(LF) and L Committee, to Norman Lamont, and to Sir Robert Armstrong.



NICHOLAS RIDLEY

LOCAL GOVT Rating PTS

