

CCBC



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Malcolm Rifkind QC MP
 Secretary of State for Scotland
 Scottish Office
 Dover House
 Whitehall
 London
 SW1A 2AU

NBRM

16 February 1987

Dear Malcolm,

**ABOLITION OF DOMESTIC RATES ETC (SCOTLAND) BILL:
 RATING OF SPORTS CLUBS**

Thank you for copying to me your letter of 12 February to Willie Whitelaw. *at Hay*

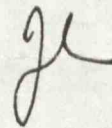
I do not believe that we should include a mandatory relief for sports clubs in the ADRES Bill. We should resist requests for special treatment unless the case for complicating local government finance and for shifting the rates burden from particular interests to other ratepayers is very strong indeed. A 50 per cent relief would be a substantial concession, and I understand that although the recent evaluation may have changed the position of some clubs there has probably not been a major increase in their overall burden. I can therefore see little justification for conceding a relief which may well be repercussive South of the border.

I understand that you face considerable political pressure from backbenchers but I note that Michael Ancram undertook to consider their views in the context of overall policy in the UK. If this concession is granted, it may prove difficult to remove when non-domestic property in all three countries is revalued in 1990 and as valuation practice becomes more consistent throughout Britain. Indeed, we may then be asked to consider an extension of the relief to England and Wales. I think it better to rely on the

existing discretion for local authorities to grant relief and, if necessary, to point out that it is local authorities deciding not to use that discretion who cause problems for their local sports clubs.

I am copying this letter to the Prime Minister, E(LF) and Sir Robert Armstrong.

Yours,



JOHN MacGREGOR

