

810



AN

CCBA

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

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

My ref:  
Your ref:

9 March 1987

*Dear Malcolm*

*NBR*

RATING OF SPORTS CLUBS

I have now seen the announcement of your concession to Scottish sports clubs. I object most strongly both to the concession and to the way in which it was introduced.

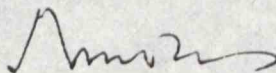
It was only last month that you wrote to the members of E(LF) proposing mandatory rate reliefs for sports clubs. That proposal received no support. Your letter of 24 February accepted that there was no support and withdrew the proposal remarking only that you would examine afresh other ways in which you might help within the present arrangements. I cannot see that as any basis on which to make the announcement you did without further consultation.

As I understand your proposal it is that, within the existing grant totals, you will so arrange matters that any authority exercising its discretion to grant rate relief will be fully compensated by grant for any loss of rate income. Had you asked me therefore, I should have made it clear that I object to this proposal on the following grounds:

- that as a matter of principle it is wrong to give local authorities a discretion which they can exercise at no cost to themselves;
- since I assume you have not got agreement to increase the total of grant, the claim which you made to the House that authorities exercising their discretion would not lose a penny as a result of doing so is misleading. In fact the arrangement you propose would have the effect of further encouraging local authorities to be reckless in the exercise of their discretion, since if they were to grant less reliefs than the average authority their ratepayers would end up being net losers;
- as I have already explained to you I am under considerable pressure in England to make concessions. I am resisting those because I do not believe they are justified. Your announcement will now make my position very difficult.

In view of these considerations, I consider it most important that E(LF) have an early opportunity to discuss your announcement with a view to seeing whether the position can be reversed or at least mitigated in the House of Lords.

I am copying this letter to Willie Whitelaw, the members of E(LF)  
and Sir Robert Armstrong.



NICHOLAS RIDLEY