



The Rt Hon Malcolm Rifkind MP
Scottish Office
Dover House
Whitehall
LONDON
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My ref:

Your ref:

18 March 1987

Dear Secretary of State

NBM.

RATING OF SPORTS CLUBS

Thank you for your letter of 16 March in reply to mine of 9 March. I have to say that it does not address my and John MacGregor's criticism of your failure to consult us, nor does it do much to allay my concern on the substantive issue.

Of course I accept that the grant system in Scotland is largely a matter for you and John MacGregor; but in this case it is only through force of circumstance that the concession was made through the grant system. You were aware that the substance of the concession would embarrass me; to my mind that entails an obligation to consult.

I note what you say about the differences between the circumstances in England and Scotland. I shall of course have to make use of those arguments in defending the present position in England; it would have been helpful if your announcement had laid stress on them. The fact remains that I shall face additional and unnecessary pressure to replicate the concession in England.

Had you consulted, and had I and colleagues been persuaded - as we were not when you first wrote - that some concession was needed to avoid a defeat in the House, I should have suggested something much more closely tailored to fit the differences in valuation practice which cause the problem, on the lines of the present 40% derating for Scottish industry.

I remain of the view that we need to consider carefully what we can do to rescue the situation: as an absolute minimum, to make clear that the concession is a temporary one pending action to redress the anomalies in Scottish valuation practice.

I am copying as before to Willie Whitelaw, members of E(LF), and Sir Robert Armstrong.

Yours sincerely

Isobel N. of the (Private Secretary)

NICHOLAS RIDLEY

(Approved in draft by the Secretary of State and signed in his absence)

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