



Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

urgent
advice pre m...
cc PS/Mr. Howard
PS/Mr. Chope
PS/Pen. Sec.
Mr. Ennals
Mr. Bready
Mr. Ward
Mr. Adams
SofS - to see

11 August 1987

Rt Hon Nicholas Ridley MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

Dear Secretary of State,

EFFECTS OF DOMESTIC REVALUATION

Thank you for your letter of 31 July.

I had not earlier heard of a remit from the Prime Minister for an exercise which would involve a sample study by my officials in the Inland Revenue along the lines that you propose. My officials have just seen an extract from a letter dated 2 July from No.10 to your office, but this simply talks about a need to marshal all the facts, and refers in particular to past revaluations and the Scottish example. There is no reference to a new study.

A new study would inevitably affect normal work in the Valuation Office. Its existence could leak before the results are available. And we cannot of course guarantee that the conclusions would provide helpful ammunition in our campaign to get the case for a reform of local authority finance across more effectively, as the Prime Minister requested.

In these circumstances, I would prefer not to mount a new sample study but rather to rely on historical evidence of the evident unpopularity of revaluations, as was originally suggested.

Yours sincerely,

Cathy Ryding

PP NIGEL LAWSON

(Approved by the Chancellor and signed in his absence)