



Treasury Chambers, Parliament Street, SW1P 3AG  
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15 September 1988

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

*John Wick*

**NON-DOMESTIC RATES: GOVERNMENT VALUATION SERVICES**

*at CLAP*  
Thank you for your letter of 12 August in reply to mine of 13 July in which I proposed that central government should make a single payment for Crown properties direct to the NNDR pool after 1990 in place of RGPD contributions to individual local authorities; and that, in view of changes to rating arrangements following the Local Government Finance Act 1988, there should be a review of Government valuation services.

I am pleased that you continue to favour the idea of a single central payment into the NNDR pool after 1990 in place of RGPD contributions. I agree that the initial level of this payment in 1990 should be based on a rating revaluation of the relevant properties. We will of course need to consider further how the payment in subsequent years should be set: there are a number of ways in which this could be done. I understand that our officials are already in touch on this and I am content for them to consider this further - in consultation with the Scottish and Welsh Office - and put proposals to us. We need to have agreed proposals by the end of October to feed into the review of valuation services.

I also strongly support your view that the review should be undertaken quickly. I suggest that we should aim to have it completed by the turn of the year - and it will need to be driven hard in order to achieve this. In scope it must look at all the demands made by Government departments for valuation services, and all the ways in which those services are now supplied to Government, including by the VO, PSA, RGPD and valuers in departments. I therefore propose the following terms of reference:

CONFIDENTIAL  
MANAGEMENT IN CONFIDENCE



"In the light of changes to rating arrangements in the Local Government Finance Act 1988, to consider and make recommendations on:

- (a) future valuation requirements which the central government will have from April 1990, including continuing requirements for the valuation of Government property for management accounting and other purposes in PSA and departments; and
- (b) the future organisation and deployment of Government valuers."

To steer the review, I propose that a committee chaired by Mr H Phillips here should be established. At attachment A is a list of Departments whose representatives might best form the core group. But no doubt others will wish to be represented at some of the meetings, particularly, though not exclusively, those identified in list B on the attachment. Mr Phillips will be writing shortly to set up a first meeting and it would be helpful if you and colleagues in the Departments concerned could nominate representatives or contact points at Grade 3/5 level.

It will be important to make staff who will be interested in the review, in particular all the valuers, aware of its existence and purpose. I will be making arrangements here to inform my staff at the VO and RGPD through their senior officers that the purpose of the review is to examine how best the Government can organise and deploy the resources available to meet the demands for Government valuation services, in the light of the changes to rating arrangements after 1990. It is highly desirable that other Ministers who have valuers within their Departments should make some similar arrangement.

I am copying this letter to the Prime Minister, all other members of the Cabinet and to Sir Robin Butler.

A handwritten signature in dark ink, appearing to read 'Nigel Lawson', written over a large, light-colored scribble.  
NIGEL LAWSON

**STEERING COMMITTEE MEMBERSHIP**

A Core members

1. Inland Revenue including VO
2. DOE
3. PSA
4. Scottish Office
5. Welsh Office
6. Treasury (including RGPD)

B Other members

7. MOD
8. Department of Health
9. Home Office
10. Department of Social Services
11. Department of Employment
12. DPF (N.Ireland)
13. Department of Transport
14. Department of Trade and Industry

LOCAL GOV. IT. - Rates All

