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My ref:

Your ref:

The Rt Hon Malcolm Rifkind MP
Scottish Office
Dover House
Whitehall
LONDON
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10 July 1989

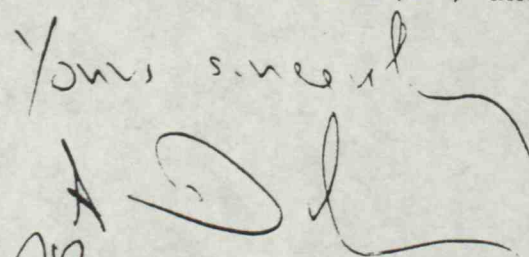
Dear Secretary of State

LOCAL GOVERNMENT AND HOUSING BILL: SCOTTISH COMMUNITY CHARGE PROVISIONS

Thank you for your letter of 29 June in which you seek colleagues' agreement to a number of minor amendments which you would like to introduce during the Lords stages of the Local Government and Housing Bill.

I am content with the community charge amendments which are detailed in the annex to your letter. I am also content with the amendments to the charging structure for water and sewerage services which are detailed in the body of your letter, subject to one proviso. It will be important in restoring an exemption for formula-rated industries from non-domestic water rate, for your Ministers to explain when proposing the amendment that most properties occupied by these industries are metered, and the intention of metering the remainder provided that they are connected to a water supply. This will then avoid creating a precedent for exempting formula-rated industries from water charges in England and Wales.

Copies of this letter go to members of E(LF) and L Committees.

Yours sincerely

PP

NICHOLAS RIDLEY

(Approved by the Secretary of State
and Signed in his Absence)