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Copy to Future of Rating ple

2 MARSHAM STREET LONDON SW1P 3EB

My ref: H/PSO/11183/81

Your ref:

3 March 1981

FUTURE OF RATING

You wrote to me on 6 February reminding me of the close interest of the Prime Minister in our review of local government finance, and suggesting that we should let you have, as soon as convenient, a progress report on the review.

There have been discussions, as you know, between the Ministers concerned - the Chancellor of the Exchequer, the Secretary of State for Scotland and the Secretary of State for Wales - and in the light of those discussions we have been examining what can be done not only about the unfairness inherent in domestic rates but also about the burden on business ratepayers. My Secretary of State is currently working on a paper which he proposes shortly to put back to those colleagues, before preparing a paper on options which would be put to colleagues collectively.

I am sending copies of this to John Wiggins (HM Treasury), Godfray Robson (Scotland), John Craig (Wales), and David Wright (Cabinet Office).

D A EDMONDS

Private Secretary