



NBPM

Local Govt

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Tom King MP
Minister for Local Government
and Environmental Services
Department of Environment
2 Marsham Street
LONDON
SW1

16 August, 1979

LOCAL GOVERNMENT FINANCE BILL: RATING ITEMS

Thank you for your letter of ~~3~~ August. I have also seen Willie Whitelaw's letter of ~~8~~ August.

I am grateful to you for taking on the points I made about the valuation of commercial property and limiting the right to pay rates by instalments to the smaller non-domestic ratepayer. The only point now outstanding is the question of extending domestic rate relief to free-standing garages.

In expressing the hope that you intended to resist this, I had in mind particularly the desirability of limiting the revenue cost to local authorities (and to the PSBR) of this legislation. I also felt that, while the other rating measures you proposed would bring the present imbalance of rating concessions a little back in favour of businesses (and small businesses in particular), this would have no such effect and, if anything, would work in the opposite direction.

I quite take the point that you may be pressed to accept an amendment on these lines, since it was in the Bill published by the Labour government. Obviously if they were prepared to widen the existing concession of domestic rate relief in this way, they will want to highlight the omission of it by us.

On the other hand I think we should be prepared generally to resist the piecemeal extension of rating concessions, even under the guise of correcting anomalies in the system.

I would still much prefer therefore to wait and see what the pressures are, and where they come from, before considering whether this change is irresistible. Could we leave the matter on that basis, at least for the time being?

I am sending copies of this letter to the Prime Minister, the Chairman of H Committee, other members and to Sir John Hunt.

NIGEL LAWSON



17 AUG 1949

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QUEEN ANNE'S GATE LONDON SW1H 9AT

8 August, 1979

Dear Michael

Local Government Bill: Minor Rating Items

Thank you for your letter of 6th July, in which you sought H. Committee's approval to the inclusion in your Local Government Bill of a number of items concerned with rating. I have also seen the letter to you of 20th July from Nigel Lawson, and Tom King's reply to him of 3rd August.

In the absence of any objections from other members, you may take it that you have the Committee's agreement to the majority of your proposals. On the question of extending domestic rate relief to free-standing garages, you will still need to reach agreement with Treasury Ministers. On the postponement of statutory revaluations, you will need to bear in mind the possibility of including suitable common provision for Great Britain which George Younger was asked by H. Committee to consider (H(79) 8th Meeting, Item 5).

I am copying this letter to the Prime Minister, Keith Joseph, other members of H. Committee and to Sir John Hunt.

The Rt. Hon. Michael Heseltine, M.P.

- 9 AUG 1979





✓ M.A. Local Govt.

DEPARTMENT OF THE ENVIRONMENT
2 MARSHAM STREET
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MINISTER FOR LOCAL GOVERNMENT AND ENVIRONMENTAL SERVICES

3 August 1979

Dear Financial Secretary,

Thank you for your letter of 20 July about the rating items for the Local Government Finance Bill. I have now considered these points, bearing in mind also our discussion of the separate Scottish proposals at H Committee on 25 July.

On your first point about payment by instalments I agree that we should limit this right to small businesses. I envisage taking a power to prescribe a rateable value ceiling for this purpose. There will no doubt be pressure from big business and the CBI to set the limit as high as possible, but I agree that we should aim to resist this. There is no need to settle the precise figure till later.

Your point about not extending domestic rate relief to separately assessed domestic garages is more difficult. There is an obvious anomaly in the present system in that garages which are assessed as part of a domestic hereditament get relief, while separately assessed ones do not. This gives rise to a good deal of complaint, and amendments will certainly be put down on this point if we do not cover it ourselves. I think this will be a difficult one to resist and I should be grateful if you could reconsider this.

On the points about the valuation of commercial property to net annual value, and the establishment of a reference date for valuation purposes, I accept that in principle these would be worthwhile changes and would be useful for a revaluation in the non-domestic sector alone if and when we come to that. And in view of the arguments which you and George Younger have advanced I am now prepared to go along with the inclusion of these two Clauses in the Bill, the first of which will then need to be made a GB provision.

On your query about LAMSAC we have no plans for seeking to get this abolished in the review of quangos; so I do not think your caveat arises.

I am copying this to the Prime Minister, members of H Committee, Keith Joseph (who may be interested in the point about instalments) and Sir John Hunt. We need to get on with drafting so I hope that on the basis of the above agreement Willie Whitelaw will be able to give early clearance on behalf of H Committee to the various proposals (though noting that there may possibly need to be further consideration by Committee of the point about domestic garages if you dissent from my line on that).

Richard Ingham

pp TOM KING (approved by the Minister and
signed in his absence)



✓ MBP
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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
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24 July 1979

VALUATION AND RATING (SCOTLAND) BILL

Thank you for your letter of 16 July on my Paper H(79)29, now for discussion on 25 July. I am content with your own proposals for legislation on rating matters described in the attachment to your letter of 6 July to Willie Whitelaw.

I would also endorse the statement of the position set out in that letter, namely that since we cannot abolish domestic rating probably for several years (perhaps until the mid-1980s), it is appropriate to keep the present system running with such minor improvements as may be necessary. At the same time (as you say in your letter to me of 16 July) we want to avoid any long term commitment to domestic rating. On principles, we are therefore in agreement. I hope you will appreciate the different circumstances in Scotland.

The dividing line between a technical change which lets a system continue smoothly and one which seems to perpetuate it is fine, and I do not accept that my own proposals have crossed it. The proposal to value commercial property direct to net annual value is a technical one, justified by the kind of rental evidence now available and mainly of interest to our assessors: it cannot reflect on our proposals to abolish domestic rating. Because a change like this can only be effective on a revaluation, it may appear to look forward to one, but it is a necessary preliminary required well in advance of any revaluation and is no commitment to revalue in a particular year. The proposed Bill offers a very convenient legislative opportunity.

You commented on my proposal (paragraph 3 of the Annex to H(79)29) to seek powers to defer a revaluation for a particular class or for all classes, indefinitely or to a particular year. A power to determine is hardly different in effect from a power to defer, where the latter is as wide as I propose and will offer much more latitude than the powers which you have to postpone revaluation for a year at a time. So there is really no difference in kind between our proposals although, as my Paper explains, the considerations affecting the next revaluation in Scotland are different and I have promised to consult the Convention of Scottish Local Authorities on the use of the power to postpone. This is probably the only item which may be at all contentious (in the

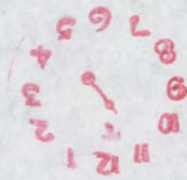
eyes of the Convention at least); the others have the Convention's approval and are likely, in several cases, to be welcomed by the public.

I have looked at the possibility of including these minor valuation and rating proposals in a larger Local Government (Scotland) Bill, but no suitable Bill is available. I see no alternative to continuing with the Valuation and Rating (Scotland) Bill approved by Cabinet on 14 June (CC(79)6, Item 6) as part of the Scottish legislative programme. It should not be difficult to explain how the introduction of a Bill like this squares with our proposal to review the domestic rating system.

Finally, while agreeing in principle that our proposals on similar matters should not diverge unnecessarily, I see little opportunity for approximation. None of the minor proposals is shared and the only proposal which we have in common is the power to fix a date for revaluation, for which the statutory backgrounds are quite different at present. I should however be grateful if your clause providing a specific grant for rate relief for the disabled could be applied to Scotland; the Rating (Disabled Persons) Act is, of course, common to both sides of the Border and we share the considerations which you mention in support.

I hope this letter makes the Scottish position clearer and will shorten discussion on Wednesday. Copies go to the Prime Minister, colleagues on H Committee and Sir John Hunt.

GEORGE YOUNGER



24 JUL 1979

GEORGE YOUNGER



Treasury Chambers, Parliament Street, SW1P 3AG

20 July 1979

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1

Your letter of 6 July to the Home Secretary which was copied to other members of H Committee has been passed to me.

While the measures you propose to retain from the Labour Local Government Finance Bill do not have a public expenditure cost, I understand that some of them will impose a small revenue costs on local authorities of the order of perhaps £20-30 million a year when taken together.

The two proposals most likely to have this effect are that to extend payments of rates by instalments to businesses (subject to a ceiling) and that to widen the scope of domestic rate relief in relation to mixed domestic/business premises. Since these are welcome to the CBI, are acceptable to the local authorities, and were recommended by Layfield, I would not wish to object to them. However I hope that you will be able to minimise any extra burden on local authority finances by for example setting as restrictive as possible a limit on the entitlement to pay by instalments. I take it also that the proposal to extend domestic rate relief to free-standing domestic garages, which you do not mention but which was part of the relevant clause on domestic relief in the Labour Bill, will not be resurrected. That, I understand would have had a possible revenue cost of £5 million and is of little or no benefit to small businesses.

I think however that there might be something to be said for taking over two other items from the Labour Government's abortive Bill. The first would be the provision in Clause 1 of that Bill which would have enabled certain properties (all in the non-domestic sector) to be assessed direct to net annual value. I notice that in H(79)29

George Younger is proposing a similar change in Scottish Rating law. The second is the provision in Clause 2 of the Labour Government's Bill which would have enabled property to be valued by reference to a time earlier than the coming into force of a new Valuation List.

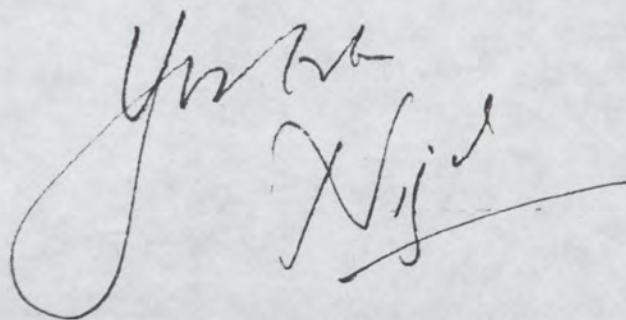
I realise that the previous administration included both these in anticipation of the revaluation which has now been cancelled and that you believe that for us to take them over could lead people to think that another revaluation is not very far off after all. I can see your point. But I do not myself believe this is a very serious danger. Whatever rating provisions we decide to include will be buried in a large Bill. We have after all no commitment to find an alternative to rating in the non-domestic sector and assessing to net annual value in particular will affect that sector only; I think it will be a pity to lose an opportunity which may not recur to make a couple of useful, if minor, reforms.

You propose that the annual grant to LAMSAC should be regularised. I would favour this on the assumption that this grant is to be continued. We think this body probably has a role to play in helping to improve local authority efficiency and value for money. But I take it the provision would not be pre-empting any decision yet to be taken in the review of quangos.

I am content with the proposal to reimburse local authorities for rate rebates to the disabled, which I agree simply represents a transfer within the public sector because the expenditure is already being incurred.

I am also generally content with your proposals on rating revaluation.

I am sending copies of this letter to the Prime Minister member of H Committee and Sir John Hunt.

A handwritten signature in dark ink, appearing to read 'Nigel Lawson', written in a cursive style. The signature is positioned above the printed name.

NIGEL LAWSON

1. MAP to see
2. N/SM
MS

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Oddi wrth Ysgrifennydd Gwladol Cymru

From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

D. Willie

19 July 1979

Michael Heseltine wrote to you on 6 July 1979 about his proposals to include some minor improvements to the present rating system in the proposed Local Government Bill.

I believe that these measures will make the rating system fairer and more sensible and therefore support them.

/ I am copying this letter to Michael and to the recipients of his.

John Nica

The Rt Hon William Whitelaw MP
Secretary of State for the Home Department
Home Office
50 Queen Anne's Gate
London
SW1H 9AT



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2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

16 July 1979

De Bary

I have seen your paper H(79)29 making proposals for legislation on Valuation and Rating in Scotland in the next session. As you know I have also proposed to include some rating items for England and Wales in my own Local Government Bill this autumn in my letter to H Committee colleagues on 9 July. So it seems to me that we must try to ensure that our proposals are reasonably compatible in their basic objectives, though of course we can live with minor differences of detail, having regard to the different legislative background.

From this point of view I am rather concerned that the implication of the package you propose may seem to Parliament and the public to imply a longer-term commitment to continuation of domestic rating in Scotland than our own shorter list of items for legislation in England. For example we decided not to include the Layfield proposal for valuation of commercial property to net annual value at the next revaluation because that would tend to imply a commitment to another revaluation in the not-too-distant future. Again your proposal to take powers equivalent to my present powers to postpone revaluation by one year at a time sits rather oddly with my proposal to change my own powers so as to give me complete freedom as to when to have a revaluation, or to revalue some sectors while leaving others alone. On some of your minor proposals I would think it might also be sensible for us to aim for a common approach where possible.

In view of the above considerations I would urge you and colleagues at H Committee to agree that your proposal to change the basis of valuation for commercial property should be discarded for the time being; we could always come back to this if and when we decide on another revaluation for that sector on either side of the border.

On the timing of a revaluation I would suggest that you might like to consider taking broader powers on the lines I have suggested, which would give us greater flexibility about the timing, and which would also, I suggest, imply less commitment on your part to going ahead with a Scottish revaluation at some stage. On the minor items I do not suppose we shall want to go into detail at H Committee, but I would suggest that we might ask officials to have another look at these to see whether there is any room for closer consideration.

16 JUL 1979



Local Govt



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1. MR LANKESTER
to see
 2. PA

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My ref:

Your ref:

NYM

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6

July 1979

See below

I am writing to you to seek the agreement of colleagues in H Committee for some minor rating items which I propose to include in the Local Government Bill this autumn.

Following the cancellation of the rating revaluation I shall in due course be bringing to colleagues suggestions on how we should conduct our search for alternative to domestic rating. As we have all recognised however it will not be possible to abolish domestic rating immediately; and of course non-domestic rating will in any case continue indefinitely. I consider therefore that it will be useful as an interim measure to include in our local Government Bill some minor improvements to the present rating system, mainly deriving from the Layfield Report, and most of which were included in the Labour Government's uncompleted Local Government Finance Bill last session.

I attach a note setting out these items briefly. If you and H Committee colleagues are content I should be grateful for your formal policy clearance on behalf of the Committee so that we can proceed to instruct Counsel as necessary.

I am copying to (the Prime Minister), colleagues on H Committee, and to Sir John Hunt.

Yes ev

A handwritten signature in dark ink, appearing to be "MH".

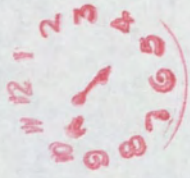
MICHAEL HESELTINE

Rating Items for Inclusion in the Local Government Bill

1. Rating revaluation. Repeal the present statutory requirement for regular revaluations of domestic property. Repeal the present statutory requirement for regular revaluation of domestic property. Take powers to have revaluations (whether for all properties or for prescribed sectors only) at dates to be prescribed by the Secretary of State subject to affirmative resolution.
2. Payment of Rates by Instalments. Extend to businesses the right to pay rates by instalments (up to a prescribed rateable value). (Included in the Labour Bill; supported by CBI & Department of Industry Ministers).
3. Extension of Domestic Rate Relief to a wider range of "mixed hereditaments", e.g. shops or small businesses with shops over. (Recommended by Layfield; included in the Labour Bill; supported by CBI and Department of Industry Ministers)
4. Grant to reimburse local authorities for rate relief to the disabled. Advocated by Conservative members when they were in opposition and the Rating(Disabled Persons) Act 1978 was going through; included in the Labour Bill; likely to be popular with local authorities and the disablement lobby. Cost: £5 - £10 m per annum, but being a transfer within the public sector this does not count as public expenditure, and is insignificant beside the total of rate support grant.
5. Miscellaneous minor amendments to rating law to improve the administration (Clause 11-14 of the former Bill) of the rating system./ Requested by the local authority associations; included in the Labour Bill; completely non-controversial.
6. A minor extension of the rate rebate system to cover the position of deserted spouses. Included in the Labour Bill; fair and likely to be popular.
7. Power to pay grant to the Local Authorities Management Service and

Computer Committee (LAMSAC). A formal provision to regularise the basis of a grant already paid under the Appropriations Act.

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am glad to say that they are working well but they are being kept under review.

Planning Procedures (Leeds)

Sir Donald Kaberry asked the Secretary of State for the Environment what supervisory powers he exercises over the planning decisions of the Leeds city metropolitan council to ensure they comply with all requirements of Public Health Acts and Town Planning Acts.

Mr. King: The Secretary of State has default powers which he rarely exercises. He also has the power to decide appeals against the authorities' planning decisions, and the power to call in planning applications for his own decision. In addition he has a number of powers to confirm orders and directions made by the authority, including orders to revoke, modify or discontinue planning permissions.

Rating Revaluation

Mr. John Patten asked the Secretary of State for the Environment if he will make a statement on the Government's intentions with regard to the general rating revaluation for England and Wales for 1982.

Mr. Heseltine: The Government have decided to cancel the rating revaluation currently in progress. The necessary legislation will be introduced in the autumn. Meanwhile no further evidence will be sought from the public by the Valuation Office, and my advice to people who have received questionnaires about their property for the revaluation is to tear them up.

Cancellation of the revaluation will provide the opportunity for the Government to sort out the longer-term future of the rating system. It will also lead to significant manpower economies in the Valuation Office of the Inland Revenue and will save about £5 million of public expenditure over the next three years.

HOME DEPARTMENT

Citizens' Band Radio

Mr. Brotherton asked the Secretary of State for the Home Department (1) what is his estimate of the number of users of citizens' band radios in the United Kingdom;

(2) how many officials are employed in tracing and investigating users of citizens' band radios;

(3) on how many occasions to date in the current year there have been authorised raids on the homes of users of citizens' band radios; and how many prosecutions have followed.

Mr. Raison We have no information on which to base a reliable estimate of the number of people using citizens' band radios. The investigation of all forms of illicit use of radio is undertaken by the Post Office radio interference service, whose main task is the investigation of complaints of interference. No members of the service are employed primarily on investigating illicit use of citizens' band equipment. If illegal importation of equipment is suspected, officers of HM Customs and Excise may also be involved. The investigating staff do not require prior authority from the Home Office before interviewing suspected offenders. Since the beginning of this year, prosecution proceedings have been initiated against 37 persons suspected of installing or using citizens' band radios.

Mr. Brotherton asked the Secretary of State for the Home Department if he will seek to amend the Wireless Telegraphy Act 1949 so as to legalise the use of citizens' band radios.

Mr. Raison: No amendment would be necessary.

Taxi Fares (Value Added Tax)

Mr. Ron Lewis asked the Secretary of State for the Home Department if, from 18 June, taxi drivers and owners in the Carlisle area are able to charge the new VAT increases to their customers without having to apply to the local authority.

Mr. Raison: No. Fares and charges for the hire of taxis in the Carlisle area are controlled by bye laws made by the district council and it would be an offence for a driver to demand or take any additional sum by way of a charge.

Borstal

Mr. Thomas Cox asked the Secretary of State for the Home Department (1) if he will give the number of boys and girls sentenced to borstal training in each of the last three years;

(2) what is the average length of time served by a boy or girl serving a borstal sentence.

Mr. Brittan : The number of males and females aged 14 and under 17 sentenced to borstal training is published annually in "Criminal Statistics, England and Wales" (Table 5(c) of the volume for 1977, Cmnd. 7289). The figures for individual ages within this age group could be obtained only at disproportionate cost. Information on the number of males and females of each age received into custody under sentence of borstal training is published annually in "Prison Statistics, England and Wales" (Table 3.1 of the volume for 1977, Cmnd. 7286), but these figures are on a different counting basis.

Mr. Thomas Cox asked the Secretary of State for the Home Department if he will give the number of boys and girls in the age groups 14 years old, 15 years old and 16 years old, sentenced to borstal training in each of the last three years.

Mr. Brittan : The average length of time spent in custody after sentence by those discharged from borstals in England and Wales during 1977 was about 9½ months for male trainees and about 7½ months for female trainees.

Prisoners

Mr. Thomas Cox asked the Secretary of State for the Home Department if he will list the number of employment projects in each of Her Majesty's prisons in England and Wales and the total number of prisoners who are employed in such projects.

Mr. Brittan : Employment for prisoners takes many forms and I am not clear which of them the hon. Member has in mind. If he will let me know I shall consider what information is readily available.

Mr. Thomas Cox asked the Secretary of State for the Home Department what is the total number of men and women at present serving prison sentences who are classed as category "A" prisoners.

Mr. Brittan : On 31 March 1979, 252 males and 5 females classed as category "A" prisoners were serving sentences in prison department establishments in England and Wales.

Mr. Thomas Cox asked the Secretary of State for the Home Department if he will give the number of men and women serving prison sentences under the category of young person for each of the last three years.

Mr. Brittan : The average daily population of males and females classified as young prisoners, serving sentences of imprisonment in prison department establishments is published annually in "Prison Statistics, England and Wales" (Table 1.2 of the volume for 1977, Cmnd. 7286).

Prison Service

Mr. Thomas Cox asked the Secretary of State for the Home Department by what date he expects to receive Mr. Justice May's report into the prison service.

Mr. Whitelaw : I refer the hon. Member to the reply I gave on 18 May to a Question by my hon. Friend the Member for Bedford (Mr. Skeet).—[Vol. 967, c. 10.]

Harmondsworth Detention Centre

Mr. Thomas Cox asked the Secretary of State for the Home Department what plans he has to review the existing immigration detention arrangement at London Heathrow and Harmondsworth; and if he will make a statement.

Mr. Whitelaw : I am considering the recommendations on immigration detention arrangements made last Session by the Education, Arts and Home Office Sub-Committee of the Expenditure Committee. I am not yet ready to make a statement.

Mr. Thomas Cox asked the Secretary of State for the Home Department what is the present number of people who can be held in detention at the Harmondsworth detention centre.

Mr. Raison : The present aim is that the number of persons detained should not exceed 70 at any one time.

Mr. Cox asked the Secretary of State for the Home Department how much has been spent in each of the last three years in improving the existing buildings at the Harmondsworth detention centre.