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Secretary of State for Trade and Industry

21 October 1983

The Rt Hon Peter Rees QC MP
Chief Secretary
HM Treasury
Parliament Street
London SW1

Prime Minutes⁽²⁾
Mr Tebbit concedes reluctantly

AT 21/10

MR

D Peter.

RATING: NON-DOMESTIC REVALUATION

You wrote to Patrick Jenkin on 28 September on this subject and I have also seen the Prime Minister's Private Secretary's minute of 4 October which expressed her agreement.

2 The points you make about the political inconvenience of going ahead with the revaluation in 1987 and 1988 are telling. But we should not lose sight of the reasons for revaluation and the likely implications of delay. Strong feelings of dissatisfaction are being voiced increasingly at the fact that, in England and Wales, valuation lists are now ten years old. By 1989 the valuation lists will have stood unchanged for sixteen years during a period of substantial structural change in industry and commerce.

3 As you mention, not only have unfairnesses arisen between different classes of business, but there is now a strong feeling of injustice in many areas of the country. I have received a number of representations from business and Councils, including Councils in the West Midlands setting out the pressing case, as they see it, for an early revaluation; and even suggesting interim measures to ease the burdens while awaiting a revaluation.

4 The perceived inequities will probably increase as time goes on; and while revaluation will give rise to losers as well as gainers, the losers from a further delay in revaluation can also be expected to be vociferous.

5 We must be sure that we are not creating more problems than we solve by delaying a non-domestic revaluation. The larger the delay the bigger the re-adjustment and the louder the squeals will be. On balance the political considerations you mention just win the argument for delay. But if we decide to announce a



reevaluation effective in April 1989, we must expect criticism and increased demands for immediate temporary measures to ease the burdens on adversely affected businesses and authorities; and we must be ready with convincing justifications of the proposed timetable for reevaluation.

6 I am copying this letter to the Prime Minister, Patrick Jenkin, George Younger, Nick Edwards and to Sir Robert Armstrong.

J. Norman

Local Govt : Future of Banking System

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