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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon the Viscount Whitelaw CH MC
Lord President of the Council
Privy Council Office
Whitehall
LONDON
SW1A 2AT

ADP 07
AF 19/8
18 June 1984

Dear Willie,

RATES BILL: INVALID RATES AND PRECEPTS

Patrick Jenkin wrote to you on 22 May to seek agreement to his tabling an amendment to remove obstacles to the replacing of illegal or inadequate rates and precepts. pt 20

Since we do not have precepting authorities in Scotland and are not abolishing any of our local authorities, the problems arising from these circumstances do not arise in Scotland. However, it would be open to a Scottish local authority to follow the course of Liverpool and set a demonstrably inadequate rate. Since no Scottish authority is at present set on this course, I do not think it would be tactically wise for me to amend the Rating and Valuation (Amendment) (Scotland) Bill at this stage to take account of such a possibility. In any case if it did arise, I would propose to take action under my default powers in the Local Government (Scotland) Act 1973 in order to ensure that a local authority fulfilled its duty under section 108 of that Act to determine a rate to provide sufficient moneys to meet that part of their expenses which fall to be met out of the rates.

I have no objection to what is proposed by Patrick Jenkin.

I am sending copies of this letter to the recipients of the original letter.

Yours truly,

George

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AT 4/6



JU439

Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 5422

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1 June 1984

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
London SW1P 3EB

D Patrick

You wrote to Willie Whitelaw on 22 May seeking colleagues' agreement to a proposal to have the Rates Bill amended to enable a sufficient rate to be made in circumstances where the original rate was insufficient and had been quashed by a Court. I have no objection to this proposal.

2 I am copying this letter to members of E(LA) and to the Prime Minister, John Biffen, Michael Havers, John Wakeham, Bertie Denham and Sir Robert Armstrong.

Norman

NORMAN TEBBIT

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DEPARTMENT OF EDUCATION AND SCIENCE
 ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH
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 FROM THE SECRETARY OF STATE

CC No
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Iron hills.

RATES BILL: INVALID RATES AND PRECEPTS

Patrick Jenkin's letter to you of 22 May invites colleagues' agreement to a proposed amendment to the Rates Bill to deal with the problem of authorities making invalid rates or precepts, which would subsequently have to be dealt with by issuing a higher substitute rate.

I agree with the principle of Patrick's proposed amendment, and that it should be tabled for Report Stage of the Rates Bill in the Lords, whatever the position then is in Liverpool.

However, I am not sure that the proposal as described deals adequately with one of the possibilities raised by Patrick in his letter, namely that a precepting authority might seek to be obstructive by issuing no precept at all before the relevant rating authorities have to set their rates. In such a case there would be no invalid precept to be quashed by a court, but it would still be necessary for the rating authorities to raise money when a valid precept was eventually issued. This could well require a substitute rate at a higher level than that they have originally set. Should section 3(2) of the 1982 Act not be disapplied (a) where a rate or precept is quashed by a court and (b) where no precept is issued by a precepting authority to a rating authority before the rating authority sets its rate?

Copies go to the recipients of Patrick Jenkin's letter.

Erin New.

The Rt Hon Viscount Whitelaw PC CH MC
 Lord President of the Council
 68 Whitehall
 London SW1A 2AT

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