

STATEMENT BY SECRETARY OF STATE FOR SCOTLAND IN HOUSE OF
COMMONS ON TUESDAY 14 MAY 1985

RATING AND VALUATION (SCOTLAND)

WITH PERMISSION, MR SPEAKER, I SHOULD LIKE TO MAKE A STATEMENT ABOUT THE GOVERNMENT'S PROPOSALS FOR LEGISLATION TO GIVE SOME RELIEF TO CERTAIN RATEPAYERS IN SCOTLAND WHO HAVE IN 1985-86 SEEN THE RATEABLE VALUES OF THEIR PROPERTY INCREASE VERY STEEPLY.

IN THE AUGUST 1983 WHITE PAPER ON RATING REFORM IN SCOTLAND (CMND 9018) THE GOVERNMENT REAFFIRMED OUR EARLIER DECISION TO HAVE A FULL SCOTTISH REVALUATION IN 1985. THIS WAS APPROVED BY ALL PARTIES IN SCOTLAND AND BY COSLA, WHO CONSIDERED IT IMPORTANT THAT THE VALUATION ROLLS SHOULD REFLECT FAIRER AND MORE UP-TO-DATE VALUES.

AS INFORMATION BECAME AVAILABLE FROM ASSESSORS ABOUT THE LIKELY GENERAL EFFECT OF REVALUATION, I TOOK VARIOUS STEPS TO OFFSET THE MORE EXTREME EFFECTS. IN PARTICULAR, I HAVE TWICE INCREASED THE DOMESTIC ELEMENT OF THE RATE SUPPORT GRANT - BY A TOTAL OF SOME £88 MILLION - SO THAT IT NOW AMOUNTS TO 8P IN EVERY £1 RATEABLE VALUE FOR DOMESTIC RATEPAYERS: AND BECAUSE OF THE BENEFITS SECURED BY INDUSTRY OVERALL I REDUCED THE PERCENTAGE OF INDUSTRIAL DERATING FROM 50% TO 40%.

NEVERTHELESS IT IS ALL TOO CLEAR THAT THERE ARE STILL MANY DOMESTIC RATEPAYERS WHOSE VALUATION INCREASES HAVE BEEN PARTICULARLY STEEP AND WHO STILL FACE VERY SUBSTANTIAL INCREASES IN THEIR ACTUAL RATE BILLS. FURTHERMORE IN THE COMMERCIAL SECTOR, THOUGH THE AVERAGE EFFECT OF REVALUATION HAS BEEN NEUTRAL, THERE ARE SIGNIFICANT NUMBERS OF BUSINESSES

FACING VERY SEVERE INCREASES. NO SMALL BUSINESSMAN, HOWEVER ENTERPRISING, COULD EVER HAVE BEEN EXPECTED TO PLAN FOR A RATES DEMAND LIKE SOME OF THE HUGELY INCREASED BILLS WHICH HAVE NOW ARRIVED.

THE GOVERNMENT HAVE THEREFORE DECIDED TO INTRODUCE A SCHEME TO HELP RATEPAYERS FACED WITH VERY HIGH INCREASES IN THEIR VALUATIONS. THEY WILL BE GIVEN A NEW STATUTORY RIGHT TO CLAIM 100 PER CENT RELIEF IN RESPECT OF THAT PART OF THEIR 1985-86 RATES BILL RELATED TO ALL OF THEIR NEW VALUATION WHICH IS IN EXCESS OF 3 TIMES THEIR 1984-85 VALUATION. THIS WILL BE SUBJECT TO A LIMIT TO THE TOTAL RELIEF PAYMENT IN THE CASE OF ANY PARTICULAR SUBJECT, TO ENSURE THAT MAXIMUM HELP IS TARGETTED TOWARDS THE SMALLER BUSINESS. THE RIGHT WILL EXTEND TO DOMESTIC AND COMMERCIAL RATEPAYERS ALIKE; IT WILL NOT EXTEND TO PROPERTY OCCUPIED BY LOCAL AUTHORITIES AND THE CROWN; PUBLIC UNDERTAKINGS VALUED BY STATUTORY FORMULA; AND MANUFACTURING INDUSTRY AND FREIGHT-TRANSPORT SUBJECTS. THE SCHEME WILL BE ADMINISTERED BY RATING AUTHORITIES, TO WHOM I WILL REIMBURSE THE FULL COST OF THE PAYMENTS. THE NEW RELIEF WILL HAVE NO EFFECT ON STATUTORY RIGHTS OF APPEAL OR ON OTHER RIGHTS AND DUTIES, THOUGH-WHERE AN APPEAL IS SUCCESSFUL, THE AMOUNT OF RELIEF WILL FALL TO BE ADJUSTED ACCORDINGLY.

THE NEW RELIEF IS INTENDED TO EASE THE IMMEDIATE BURDEN ARISING FROM THE HIGH VALUATION INCREASES WHICH TOOK EFFECT AT 1 APRIL AND WILL APPLY IN THE YEAR 1985-86. I WILL CONSIDER IN DUE COURSE WHETHER THERE IS A CASE FOR ANY SPECIAL RELIEF IN 1986-87.

I ESTIMATE THAT THE RELIEF WILL PROBABLY COST AT LEAST £50M. THIS WILL BE NEW MONEY FROM THE TAXPAYER.

A BILL PROVIDING FOR THE NEW RELIEF WILL BE PUBLISHED AS SOON AS POSSIBLE. I HOPE HON MEMBERS OPPOSITE WILL, AS THE HON MEMBER FOR GLASGOW, GARSADDEN, HAS ALREADY INDICATED, GIVE SUPPORT TO US IN OUR ENDEAVOURS TO BRING THE SCHEME INTO FORCE AT THE EARLIEST POSSIBLE MOMENT.

● THERE IS NO NEED FOR ANY RATEPAYER WHO THINKS HE WILL BENEFIT FROM THE SCHEME TO ACT UNTIL THE BILL HAS BEEN BROUGHT INTO OPERATION.