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PRIME MINISTER

RATING (REVALUATION RELIEF) (SCOTLAND) BILL

Treasury and Scottish Office are in dispute about one aspect of this Bill. Mr. Younger wants the Bill to contain a provision allowing the relief to be extended in subsequent years by order. He believes that without such a provision there could still be difficulties with the most seriously affected ratepayers next year, and the so-called promise of co-operation from the Opposition in the passage of the Bill might not be delivered. The Opposition are in fact arguing that relief should last for the whole of the quinquennium.

The Chancellor and Chief Secretary think the relief should be confined to 1985-86. Presumably they fear that, like income tax, a temporary measure could become permanent. This could create difficult precedents south of the border.

It is accepted by both sides that any relief in subsequent years should come from within the Scottish Office block. Mr. Younger believes that this provides him with sufficient incentive to phase out the relief as quickly as possible and that to insist on one year only could lose the Government the credit it has so far gained.

Agree:

(i) with Mr. Younger, provided any further relief comes from within his block?

or

(ii) with the Treasury that relief should be for one year only?

HT

Note. PM approved option (i)

AT 21/5

21 May 1985