

PRIME MINISTER

SCOTTISH RATES BILL

I have spoken to the Scottish Office about the timing of the publication of the Scottish Rates Bill.

The present timetable is for the Bill to go to Legislation Committee on Tuesday 25 November, and then to be published a day or so later, and certainly by the end of the month. It will then proceed as soon as possible to Second Reading and the aim is to have two Committee sittings on the Bill before Christmas.

The Scottish Office are adamant that earlier progress is not possible. The Scottish Office have gone to great lengths to clear the Bill with the "English" departments, namely DOE and DES, in view of its implications for future English legislation. This has inevitably taken some time. They also say that a day or so spent now on its drafting will save fifty or so Government amendments later on.

I have warned the Scottish Office that you could be expected to enquire further about the Bill's timetable under the Parliamentary item at Cabinet on Thursday.

I am writing to Scottish Office reinforcing the importance of keeping without fail to this timetable.

N. L. W.



N. L. Wicks

17 November 1986

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No - Rates file.

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MR LANGDON

cc Mr Norgrove - No 10  
Miss MacNaughton -  
Lord President's Office

ABOLITION OF DOMESTIC RATES IN SCOTLAND

1. There are two issues which remain to be resolved before the Scottish Bill is introduced.

i. Indexation of the Non-Domestic Rate

Mr Ridley, supported by Mr Rifkind and Mr MacGregor, is proposing that the national non-domestic rate poundage should be linked to the RPI. Mr Tebbit and Mr Channon have suggested that the link should be RPI minus x, with x either 1 or a 1/2 per cent. Mr Edwards has suggested that the link should be with the GDP deflator. DOE Officials do not believe that Mr Ridley will be able to settle this outside Committee and a discussion will therefore be necessary.

ii. Exemption for the Mentally Handicapped

It has been agreed that at least at the outset there should be no general concession exempting from the Community Charge those living in residential homes, although this may need to be reconsidered when the political pressures become clearer during the Parliamentary passage of the Bill. While Mr Rifkind has accepted this policy, he has proposed that the mentally handicapped should be exempt from the Community Charge. This would need to appear on the face of the Bill. Scottish Office Officials accept that there is no policy clearance for this line at present, and that therefore Mr Rifkind will need to bring it to Committee if he wants to pursue ~~the~~ it.



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2. Mr Norgrove will be taking the Prime Minister's mind on how to handle these points over the weekend, but it would seem to me that the Lord President might be asked to take a meeting of E(LF). Dr Walker has been persuing possible dates for a meeting of E(LA), which might conveniently be combined with a meeting of E(LF) to discuss these points. The earliest possible date is 24 November. The Scottish Bill is being printed for L early next week, and is being taken on 25 November with a view to introduction on 27 November. The L print therefore cannot take account of these points (and will assume a link with the RPI and that the mentally handicapped will not be exempted), but there will be time to report the conclusions of E(LF) to L and to incorporate amendments if necessary before introduction.

3. Both DOE and the Scottish Office had been talking in terms of Government amendments to meet these points later is necessary, but I have stongly urged that we must if at all possible get the Bill right before it is introduced.



J E ROBERTS

14 November 1986