

ccf



2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

David Norgrove Esq  
Private Secretary to  
The Prime Minister  
10 Downing Street  
LONDON  
SW1A 2AA

Prime Minister

22 July 1987

This seems acceptable.

Content?

AKW  
23/7.

Yes not

Dear David,

NON-DOMESTIC RATING

Thank you for your letter of 20 July.

On the operation of the pool, the detailed arrangements will need further discussion between officials in the light of the Chief Secretary's letter of 17 July. We would hope to keep any margin for contingencies very small and avoid any significant extra burden on the community charge.

On domestic appeals, my Secretary of State's proposal to close these down following Royal Assent to the Bill is clearly altered by E(LF)'s decision to have dual running of domestic rates and the community charge. This issue will no longer be included in the consultation paper, and my Secretary of State will put further proposals in due course, having regard to the Prime Minister's views.

On the duty to consult business, my Secretary of State accepts that there are presentational grounds for retaining a duty to consult, but that clearly cannot be linked to the setting of the rate, as it is now, once that is determined by statutory formula. The Chancellor of the Duchy of Lancaster has commented that the present duty has proved quite useless in practice. My Secretary of State's preferred course would be to include the proposal to drop statutory consultation in the consultation paper, which will be sent to national business organisations (CBI, IOD, NFSESB) and to reconsider the point in the light of their views, when it could if necessary be reinstated. I hope that the Prime Minister would be content with this approach.

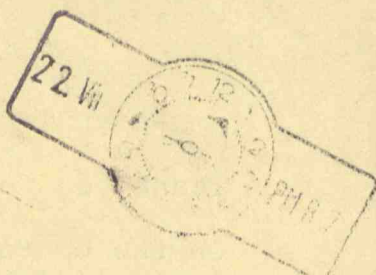
I am sending copies to the Private Secretaries of members of E(LF) and to Trevor Woolley (Cabinet Office).

Yours,  
Robin.

R U YOUNG  
Private Secretary



LOWE GORT  
RATES  
PT 7



JD3 B R R L



10 DOWNING STREET  
LONDON SW1A 2AA

C LPO  
Ho  
DTS  
SO  
WO  
DHSS

DTI  
CS, HMT  
D/Tpt  
MS, DOE  
CBL  
HMT

bc BF  
D/Env.  
Co.  
CBC.

20 July, 1987.

From the Private Secretary

NON-DOMESTIC RATING

The Prime Minister has seen your Secretary of State's minute of 25 June about some outstanding issues on non-domestic rates.

On the operation of the pool for the non-domestic rate, the Prime Minister believes that the alternative to a contingency margin should be explored in order to avoid a higher community charge than necessary. The Chief Secretary in his letter of 17 July suggested one possibility, but there may also be others.

The Prime Minister shares the Chief Secretary's concern that abolition of the duty to consult businesses may give the wrong signals, though she recognises that the duty is unenforceable. She would be grateful if Mr. Ridley could consider this point.

The Prime Minister is otherwise content, subject to the views of colleagues.

I am sending copies of this letter to the Private Secretaries to the members of E(LF) and to Trevor Woolley (Cabinet Office).

David Norgrove

Robin Young, Esq.,  
Department of the Environment.

JK