

*PB has seen - NBPM* *cell*

FROM THE MINISTER OF STATE, SCOTTISH OFFICE



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CONFIDENTIAL  
MANAGEMENT - IN CONFIDENCE

The Rt Hon Nigel Lawson MP  
HM Treasury  
Parliament Street  
LONDON  
SW1 3AG

8 September 1988

*Dear Nigel,*

RATE REFORM: GOVERNMENT VALUATION SERVICES

*files with PB*

Thank you for the copy of your letter of 13 July to Nicholas Ridley. I have also seen his reply to you of 12 August.

From our point of view I am sure it would be possible in Scotland to operate from 1990/91 a similar system to that which you propose for England and Wales with a single payment made centrally in respect of Crown property occupied by the Government. We would then disburse this to local authorities as part of the revenue support grant. There is time for me to consider whether my existing powers to pay grant are adequate, but if any amendment is required it will be minor.

I agree with Nicholas, however, that local authorities will be highly critical of this approach unless we can demonstrate that the level of payment in 1990 is based on a proper valuation, and also that subsequent changes realistically reflect changes in the value and holding of property. I also see the need for this from the point of view of realistic Departmental accounting, but I have an open mind as to whether or not it should be carried out by RGPD. I would, however, be unwilling to see this function passed to the Regional Assessors in Scotland who might be inclined towards unjustifiably high valuations.

I share the view that there could be attraction in removing fringe bodies from Crown exemption and this should be examined by officials as part of the proposed discussions. I would wish my officials to be involved in this exercise.

I am copying this letter to Members of E(LF), to George Younger and to Sir Robin Butler.

*Younger*  
*Malcolm Rifkind*

MALCOLM RIFKIND

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LOCAL GOV'T

Rates

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