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10 DOWNING STREET

LONDON SWIA 2AA

From the Private Secretary

16 January 1989

RATING APPEALS

The Prime Minister has seen your Secretary of State's minute of 6 January, and subsequent comments from the Chancellor of the Exchequer, the Secretaries of State for Wales and Scotland and the Solicitor General.

I should be grateful if you and copy recipients could ensure that this letter is seen only by those with a strict need to know.

The Prime Minister has major reservations about the proposed changes. She has commented that people cannot be deprived of a right of appeal for the administrative convenience of Government; this would be totally inequitable. She suggests that the Inland Revenue will have to find a rule of thumb multiplier for the rating of those properties they cannot resolve in time; with adjustment retrospectively once the new valuation is determined.

I am copying this letter to Alison Smith (Lord President's Office), Michael Saunders (Law Officers' Department), Stephen Williams (Welsh Office), David Crawley (Scottish Office) and Trevor Woolley (Cabinet Office).

PAUL GRAY

Roger Bright, Esq., Department of the Environment.