

The Rt. Hon. Tony Newton OBE, MP  
Chancellor of the Duchy of Lancaster and  
Minister of Trade and Industry

Rt Hon Nicholas Ridley MP  
Secretary of State for the Environment  
Department of the Environment  
2 Marsham Street  
LONDON  
SW1P 3EB

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Enquiries  
01-215 5000

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line  
Our ref  
Your ref  
Date

215 5147

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*Jan Nick*

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**UNIFORM BUSINESS RATE AND REVALUATION: TRANSITIONAL ARRANGEMENTS**

Thank you for sending me a copy of your minute of 7 June to the Prime Minister.

I am broadly content with your revised proposals. In particular, I agree that you should respond to the wish of a majority of those consulted by recovering most of the cost of the transitional arrangements through a premium on the UBR poundage; but that there should also be a "cap" on gains in the first year.

The one point that concerns me rather is your new proposal to remove transitional relief from a property on a change of occupant. This could well distort substantially the normal turnover of commercial property for several years; and could even lead to hardship where the present occupant was unable to carry on, and found the value of his lease sharply reduced because of the rate bill a new occupant would face. Subject to colleagues' views, I would be inclined to drop this refinement.

I am copying this letter to the Prime Minister, to members of E(LF), to John Wakeham, David Waddington and to Sir Robin Butler.

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*copy*

TONY NEWTON

SB6ACC

