

CPM



CONFIDENTIAL

Prime Minister

*UBPR at this stage
~~is to be~~ until the
is over to (U.F.)*

*Rec 6
14/6*

UNIFORM BUSINESS RATE AND REVALUATION: TRANSITIONAL ARRANGEMENTS

See note R

I have seen the minutes from Nicholas Ridley, on 7 June and Peter Walker, on 9 June, on their proposals for phasing in the effects of 1990 revaluation and the uniform business rate in England and Wales. I have also seen John Major's minute of 14 June and Tony Newton's letter of 15 June commenting on these proposals.

I do not wish to comment on the balance of advantage in England and Wales. The effects of the 1990 revaluation in Scotland in increasing individual ratepayers' liabilities will be much less in Scotland, where we last revalued in 1985, than in England and Wales but some will face significant increases and I have announced similar limits to those proposed for England and Wales. I am pleased that colleagues are agreeing that these limits should be retained.

I do not yet have sufficient information to decide how the protection of losers will be financed in Scotland. Because however the phasing in of losses in Scotland on the basis proposed should take much less time than elsewhere and because, as colleagues know, I intend intervening to bring rate poundages in Scotland down towards the UBR, I am not attracted by the idea of introducing a premium to help finance phasing in the revaluation in Scotland, whatever may be finally decided for England and Wales. But I would not be embarrassed by a premium in England if that were decided. I shall of course inform colleagues of my proposals for financing the limit on losers in Scotland once I have formulated these.

I am copying this minute to members of E(LF), John Wakeham, David Waddington and to Sir Robin Walker.

MR

M R

21 June 1989

Local Govt: Rates
P. 12.