



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Nicholas Ridley MP
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EP

NRB

McL 19/7

18 July 1989

Dear Nicholas,

LOCAL GOVERNMENT AND HOUSING BILL; SCOTTISH COMMUNITY
CHARGE PROVISIONS

- copy attached

Thank you for your letter of 10 July, agreeing to the community charge amendments. You did, however, make one proviso regarding formula valued industries and I can assure you that there is no question of introducing the possibility of free supplies for these industries.

Formula valued industries are currently exempt from payment of water rates but where these industries' premises are connected to the public supply, they are subject to the normal metered water charges. There is no intention to change this position.

Due to the repeal of schedule 1 to the Local Government (Scotland) Act 1975, on which the present policy relies to prescribe the exempted industries, the exemption from liability to non-domestic water rate would cease on 1 April 1990 and has to be restored. There will be no precedents created for formula valued industries in England and Wales.

I hope this clarifies the position.

Copies of this letter go to members of E(LF) and L Committees.

as ever,
Malcolm Rifkind

MALCOLM RIFKIND