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10 DOWNING STREET

LONDON SW1A 2AA

24 August 1989

From the Private Secretary

CONFIDENTIAL

Dear Kate,

FORMULA RATING REVIEW

The Prime Minister was grateful for Mr Patten's minute of 22 August. Having read this, she is still concerned that we do not have a formula which can consistently be applied to all industries; and therefore have adopted two which she feels are unsatisfactory. She has commented that one is based on asset values (which the Government opposes on other properties) and the other on turnover - which means that the more you make of your property the more you pay.

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The Prime Minister would like to know what other formulae, such as rent or square footage, were considered?

I am copying this to Stephen Williams (Welsh Office), Neil Thornton (Trade and Industry), David Crawley (Scottish Office), Peter Wanless (Treasury), Roy Griffins (Transport), David Murphy (Energy) and Trevor Woolley (Cabinet Office).

Yours sincerely,  
Caroline Slocock

CAROLINE SLOCOCK

Miss Kate Bush  
Department of Environment

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