



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

CPH

**RESTRICTED
MANAGEMENT- IN CONFIDENCE**

The Rt Hon John Major MP
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

1. NBBM
2. AT - to see.

*Recd
5/12*

4 December 1989

Dear Sir,

file with PG.

REPORT OF THE REVIEW OF GOVERNMENT VALUATION SERVICES

I was interested to have a copy of your letter of 23 November to Chris Patten with you which you attached a Report setting out some wide-ranging recommendations affecting practice in valuation matters.

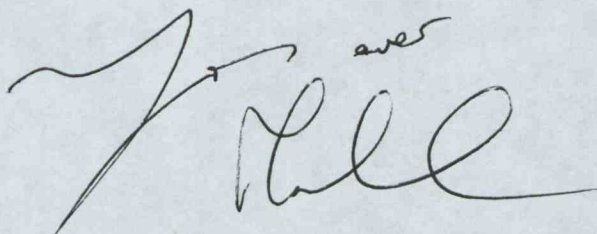
I was glad to see that in relation to the role of the assessors in Scotland the review has taken account of points made by my officials. The question of a possible transfer of responsibility to central Government has been considered from time to time in the past and I agree that it is reasonable to contemplate a further study of it in the fairly near future. The key point, as the review recognises, will be whether or not the present arrangements, including the thrust towards harmonisation of values north and south of the Border to which we have recently been giving priority, have delivered satisfactory results. We will hardly be able to judge this before the summer of 1990 at the earliest. As it will be very difficult to distract the assessors in any way in the months immediately ahead, because of their proper preoccupation with the revaluation process, I am not at all confident that we can meet a completion date as early as the end of June. But the Scottish Office will certainly be glad to take the lead.

Many of the other recommendations, of which my Department had not been fully informed, raised large issues for me because of the diversity of my responsibilities. In particular, I agree that the information held by my Department for asset management should be improved and that work should be put in hand on developing databases for each of the Government's main property estates and other types of assets. However, we must recognise that information of this kind is already held by departments and work on databases is in hand in a number of areas. I hope that the work on capital assets flowing from the NHS review will not be held up in any way. Also we must not underestimate the difficulty

and cost of holding in a consistent way core information across the various categories of assets held by Government departments. This point is of particular interest to me since I hold land for a very wide range of purposes, including the health estate, the prison estate, roads and agriculture. In setting up databases in the long-term, my Department's aim must be to have an element of consistency and compatibility across the Scottish Office while moving in parallel with the Whitehall departments responsible for similar functions.

I will not mark up my particular difficulties now. However, since it is now 18 months since Nigel Lawson and Nick Ridley first reached agreement on the case for making progress with these ideas, I hope that you and colleagues will not press too strenuously for compliance with the very tight timetable that is implied in the attachments to your letter. Also I should perhaps say that some of the ideas being pursued, eg that the Valuation Office staff should restrict the effort they put out on behalf of local authorities, are bound to raise considerable policy difficulties for me in relation, for instance, to the "right to buy" provisions in Scotland, and other policies for diversifying the rented sector, involving both statutory and non-statutory work of the VO(S). These are important policies and we have a substantial interest in ensuring that a satisfactory valuation service is available for their implementation. The meaning and likely impact of the proposals in the report are far from clear and I really cannot commit myself to moving away from the existing arrangements unless I am persuaded that something satisfactory can be put in their place. These aspects of the report require a good deal of further work.

I am copying this letter to the Prime Minister, all other members of the Cabinet and Sir Robin Butler.

A handwritten signature in black ink, appearing to read 'Rifkind', with a large flourish at the end. There is a small handwritten word 'over' above the signature.

MALCOLM RIFKIND