



SECRETARY OF STATE  
FOR  
NORTHERN IRELAND

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The Rt Hon Christopher Patten MP  
Secretary of State for the Environment  
2 Marsham Street  
London  
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30 March 1990

*Dear Chris,*

**GENERAL REVALUATION IN NORTHERN IRELAND**

As you are aware the proposals in the Green Paper "Paying for Local Government" did not apply to Northern Ireland. This reflected the fact that local government arrangements in Northern Ireland are significantly different from those in the rest of the United Kingdom. Nevertheless my predecessor, Tom King, undertook to monitor the development of the local government reform proposals in Great Britain and to consider their implications for Northern Ireland. In November 1988 Tom King decided that there should be no change in the present rating system in the Province.

There are, of course, good reasons for this. Primarily, District Councils in Northern Ireland have a very limited role; 90% of what would be local authority type services in Great Britain are the responsibility of central Government here and are, therefore, fully controlled through the normal public expenditure system. There has been no problem of overspending by district councils. Indeed, their total expenditure is only around £130 million. In addition, there would have been an unfortunate sectarian



dimension arising from reform; larger families in all areas would have been affected and in Northern Ireland this implies a disproportionately adverse impact on the minority community. It was also regarded as inappropriate for Ministers to make a commitment to fundamental change in a policy area which would be particularly suitable for consideration by any future devolved administration at a time when we seem to have a real chance of getting agreement on such an administration.

Public announcement of this decision has, of course, required careful handling, notwithstanding the cogent reasons for it. A reply to a written PQ from Jim Sillars in April 1989 indicated that because of the different structure of local Government in Northern Ireland we had no present plans to replace the existing system. When formulating this reply Ian Stewart the then Minister of State in the NIO spoke to colleagues in the Treasury, DOE and the Scottish Office. We have maintained this line in response to PQs and enquiries over the last year, most recently in the answer which the Prime Minister gave on 6 March to a PQ from Brian Wilson.

One consequence of the decision to maintain the rating system in Northern Ireland is that a general revaluation including both domestic and particularly non-domestic property is urgently required. I have decided that it would be sensible to maintain a element of flexibility in tackling revaluation and this will be achieved by undertaking the revaluation process in two stages - revaluing non-domestic property first and only when this has been completed in 1992 proceeding to revalue domestic property.

Clearly the announcement of a general revaluation will be interpreted as underlining that we do not plan to introduce the Community Charge in Northern Ireland. I thought it right, therefore that colleagues should be brought fully into the



picture with our thinking on local Government finance here before we move to this announcement. Although the decision not to introduce the community charge in Northern Ireland has been in the public domain for some time, there is some evidence from recent queries (for example, the recent open letter from Tony Benn to the Prime Minister) that it will be cited in the broader debate. I appreciate that there are those who will seek to draw unhelpful parallels with Great Britain, although I believe that we can continue to explain the decision robustly in terms of the very different circumstances prevailing in Northern Ireland.

If you or colleagues have any comments on the substance of presentation of this issue I would, of course, be pleased to hear from you.

I am copying this letter to the Prime Minister, Norman Lamont, Malcolm Rifkind and Peter Walker and to Sir Robin Butler.

*Levin*

*Pr*

PB