

Confidential Filing

Proposals to aid Labour Mobility  
by the removal of Constraints in the  
housing market.  
Circulation of job vacancy information.

MANPOWER



July 1980.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>27.8.80</del>							
2.9.80.							
<del>17.9.80</del>							
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<del>23.6.81</del>							
23.7.81							

PREM 19/527

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SR



*Handwritten: Mansouri ✓*

2 MARSHAM STREET  
LONDON SW1P 3EB

My ref: H/PSO/12175/81

Your ref:

10 April 1981

*Handwritten signature: Sir Geoffrey*

Thank you for your letter of 4 March about the private rented sector.

I am concerned that your suggestion of a comprehensive assessment of the private rented sector by a joint working group of officials will be unduly time-consuming, and I think we can and should move more quickly.

There are really two sets of issues - first the changes in landlord and tenant law (including rent controls) that will provide greater incentives for private landlords to let, and second the subsidies or tax reliefs for private landlords that might be justified in order to secure rented accommodation in the private rather than the public sector.

On changes in landlord and tenant law, extensive work within my own Department has now been virtually completed and I am expecting to put proposals to H Committee before Easter. I do not think it would be sensible to duplicate this work in a joint official working group.

Where, however, the group could I think make a valuable contribution would be on the question of tax relief and/or subsidies for private landlords about which both Keith Joseph and I have written to you. I should welcome the group starting work forthwith in this area, but I would not want to hold up my H Paper on the landlord and tenant law changes in the meantime.

I am copying this letter to the recipients of yours.

*Handwritten: Yours*  
*Handwritten signature: Michael Heseltine*

MICHAEL HESELTINE



*National Mobility Scheme*  
DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 7601

9

MINISTER FOR HOUSING AND CONSTRUCTION

31 March 1981

Mike Pattison Esq  
Private Secretary  
10 Downing Street  
London SW1

*Dear Mike,*

NATIONAL MOBILITY SCHEME

Mr Stanley thought the Prime Minister would wish to know before her Questions today that he will be holding a Press Conference at 12.00 today with the Housing Chairmen of the AMA, ADC, LBA and GLC to highlight the commencement of the National Mobility Scheme tomorrow, April 1st.

Proposals for this first ever National Mobility Scheme were produced by the local authority associations, and first announced by Mr Stanley last year. All the associations concerned have commended the scheme to their members. Participation is voluntary but some 300 authorities have already agreed to take part. The scheme will be monitored by a small office in London.

The scheme is for tenants, people with a high priority on housing waiting lists, or people with a pressing need to move for job or family reasons. They go to their local housing department and fill in a simple form, which the local authority then normally forwards to the authority in the desired area. Participating authorities have agreed to make 1% of their lettings, in addition to transfers and exchanges, available each year to people from outside their area.

/ I enclose a copy of the press notice, the publicity leaflet, and the basic statement of the scheme's objectives.

*Yours sincerely,*

*R U Young*

R U YOUNG  
Private Secretary



March 1981

## NATIONAL MOBILITY SCHEME

### ITS OBJECTIVES, PRINCIPLES, OUTLINE PROCEDURES AND MANAGEMENT

#### Introduction

1. The National Mobility Scheme was launched on 1 April 1981. It encompasses the whole of the public housing sector in England and Wales. The provisions of the Scheme were drawn up initially by a joint working group of officials of the Association of Metropolitan Authorities, the Association of District Councils, the London Boroughs' Association, the Greater London Council, the New Towns' Association, the National Federation of Housing Associations, the Department of the Environment and the Welsh Office. The Scheme, as described in this paper, has been agreed by these bodies.

#### Purpose

2. The need for greater housing mobility has been recognised in recent years by an increasing number of public housing authorities in many parts of the country. But the arrangements - often informal - which have been established locally in many areas have in some cases been restricted to individual key workers and to mutual exchanges. The National Mobility Scheme is designed to build on these initiatives, to widen their scope and to establish a national scheme.

#### Scope

3. The Scheme is open to tenants of participating local authorities, new town development corporations and housing associations in England and Wales - hereafter called "housing bodies". It is also open to people high on the "active" waiting lists of these housing bodies or in pressing need to move to a different area. It is for each individual housing body to decide whether to participate. The value of the Scheme to each housing body depends however on the co-operation of others, and its success upon achieving national coverage. The basic mechanics of the Scheme are operated by local authorities and new town development corporations. The way in which individual housing associations can be integrated into the Scheme is set out in paragraph 6 below.

#### Eligibility

4. Tenants, or people high on waiting lists or people with pressing need to move to a different area, are able to apply for a move under the Scheme provided that:

- (a) the applicant has obtained permanent employment beyond reasonable daily travelling distance from his existing home; or
- (b) the applicant needs to move on social grounds, for example those who are elderly or handicapped; or perhaps single parents with young families needing to move nearer relatives or friends.

## Levels

5. The Scheme is operated at two complementary levels.

### (a) County level

Within each county (or in some cases groups of counties) each participating local authority and new town makes available a given number of lettings annually for people who need to move into its area from another local authority or new town within the same county (or group of counties). For each local authority and new town, except for those in London, this given number of lettings is approximately equivalent to the number of people from its area who are rehoused by other local authorities or new towns within the same county (or group of counties). Over a year therefore the total arrivals in any one local authority or new town balance the total departures. In London, the existing GLC Mobility Scheme and the Inter-Borough Nomination Scheme will continue, and will be the county level scheme as far as London is concerned.

### (b) National level

At the national level there are two elements contributing to the Scheme. First, each participating local authority and new town makes available one per cent of its annual lettings for people needing to move to its area from beyond the boundaries of its county (or group of counties). Annual lettings are defined as the sum of lettings becoming available in any given financial year through:

- (i) new building;
- (ii) conversions;
- (iii) relets;
- (iv) nominations to housing associations' lettings; and
- (v) non-nomination lettings by any participating housing associations (see paragraph 6);

but excluding transfers and mutual exchanges both within and between housing bodies.

Second, in addition each local authority and new town makes available further lettings equal to the number of people from its area who are rehoused by local authorities and new towns beyond its county (or group of counties) boundaries.

A local authority or new town may at any time decline to accept any more nominations from outside the county (or group of counties) if the number of arrivals already accepted during a year exceeds - by a figure that constitutes more than one per cent of its annual lettings - the number of departures from that local authority or new town who have already been accepted by other local authorities or new towns outside the county (or group of counties).

## 6. Housing Associations

As indicated in paragraph 5(b), a local authority or development corporation's nomination rights to housing association lettings are included in the calculation of the one per cent obligation under the national level element of the Scheme.

It is also open to housing associations to join the Scheme in their own right, in respect of their own (i.e. non-nominated) lettings. They do so by agreeing with the local authority or development corporation a given additional number or percentage of the association's lettings for nomination by the authority or development corporation in recognition of the benefit to the association of participation in the Scheme.

The effect of participation by a given housing association is that:

- (i) the whole of the association's lettings in the authority's area are included with the authority's for the purpose of calculating the authority's one per cent obligation;
- (ii) the tenants of the housing association are free to make use of the Scheme, at county or national level, on the same footing as the authority's own tenants.

#### Obligations

7. Each participating local authority and new town accepts the numerical obligations in paragraph 5 above, though it is of course free to go beyond them if it wishes. The obligation applies only to nominations under the procedures of the National Mobility Scheme. In return, a participating authority can expect people within its own area to be accepted by other local authorities and new towns throughout England and Wales within the limits of their reciprocal numerical obligations.

#### Procedures

8. The fundamental basis of the Scheme is that nominations are dealt with bilaterally between the nominating authority and the receiving authority. A nomination form is completed in respect of each applicant. If the local authority or new town is unable to nominate the applicant it tells him what are the grounds of refusal. If the application is accepted by the nominating authority it forwards its nomination direct to the receiving authority. The receiving authority examines the nomination and if satisfied replies to the applicant accepting him unless it considers that it has already fulfilled its obligations under the Scheme. If the receiving authority is unable to accept the nomination, it refers the nomination to any second-choice authority named by the applicant. If either the receiving or the second-choice authority is unable or unwilling to accept the nomination it informs the applicant accordingly and explains why.

#### Application of Criteria

9. Receiving authorities would be able to apply their normal eligibility criteria to those people seeking to move into their areas under the Scheme, but of course residential qualifications would need to be waived. For those wishing to use the Scheme to move on job grounds, it is suggested that either tenant or spouse should have an offer of permanent, and not merely temporary or seasonal, employment in the area to which they want to move.

### Steering Committee

10. Management of the Scheme is by a Steering Committee. The Committee comprises members from the Association of District Councils, the Association of Metropolitan Authorities, the Greater London Council, the London Boroughs' Association, the New Towns' Association, the National Federation of Housing Associations and the Department of the Environment. The Committee is responsible for policy on the operation and future development of the Scheme, and is supported by an officer-level Advisory Group.

### National Mobility Office

11. Both the Steering Committee and the Advisory Group are served by a National Mobility Office comprising a small team of permanent staff. The Office is responsible for:

- (a) drawing up the details of procedure for the Scheme, including the design of a standard form for mobility applicants, and record keeping, and the preparation of practice notes for the guidance of participating authorities;
- (b) initiating and co-ordinating any national publicity arrangements;
- (c) advising authorities on general matters concerning the Scheme's operation and how the guidelines should be interpreted;
- (d) collecting monitoring statistics about both county level and national level moves; and
- (e) developing any information systems required to support the operation of the Scheme.

The Office does not deal with individual applicants; any person contacting it would be immediately referred to his local authority or new town housing department. It is however able, if asked, to help resolve any differences in interpretation between authorities.

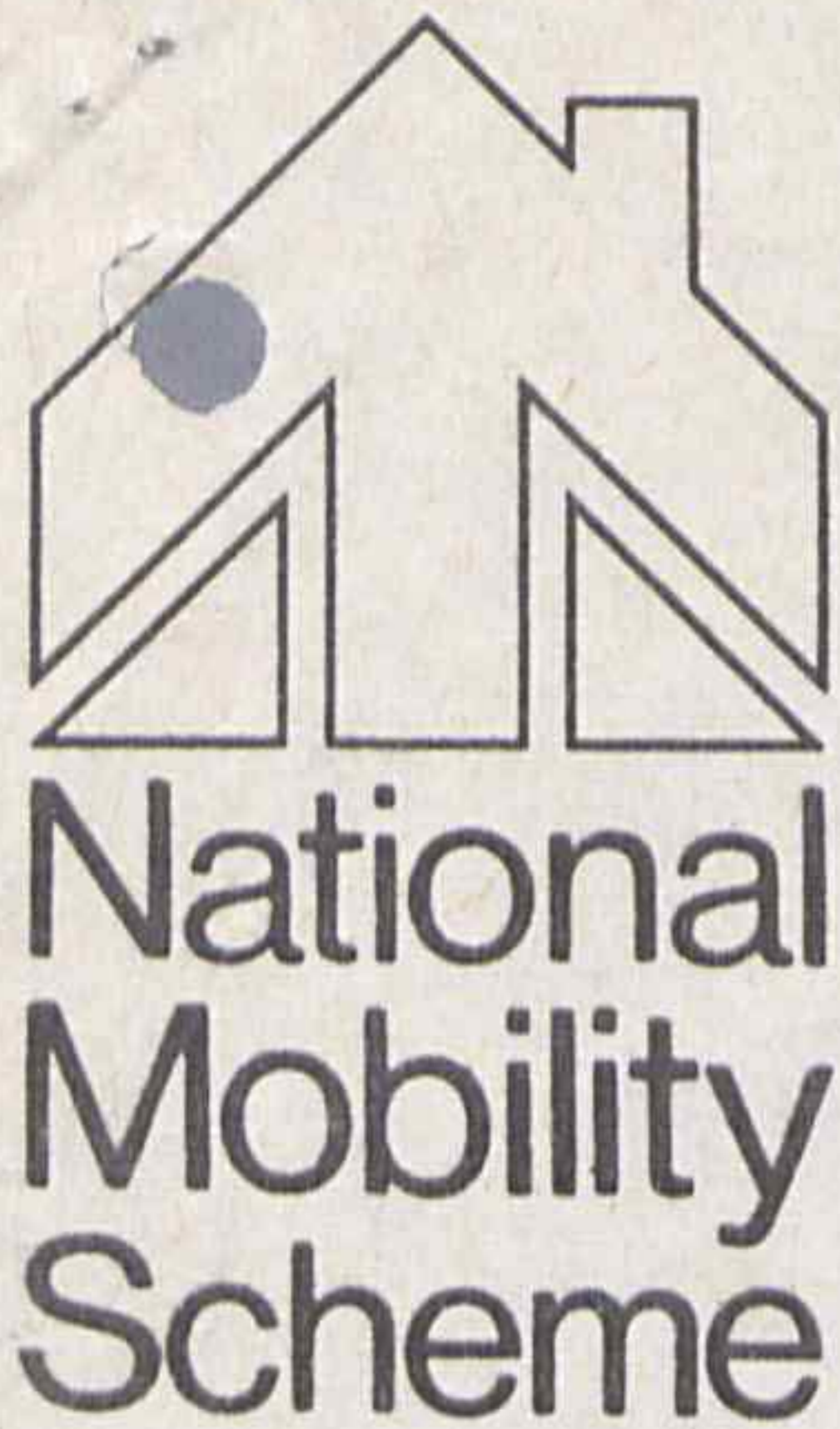
### Funding

12. The Department of the Environment is funding initially the central costs of running the National Mobility Office under Section 46 of the Housing Act 1980. The local costs of operating the Scheme at both levels are borne by participating housing authorities.

### Director

13. The National Mobility Office is headed by a part-time Director. He prepares monitoring reports on the operation and effectiveness of the Scheme and can make proposals for improvements in procedure for consideration by the Steering Committee. The Office's first Director is Mr Ben Affleck, formerly Housing Director for Milton Keynes Development Corporation. His office is situated, as a convenient location, in the County Hall of the Greater London Council (Room 347, Main Building, telephone (01-633 6358).





National Mobility Office  
Room 347, The County Hall  
London SE1 7PB

Telephone 01-633 6358

Director B Affleck FIH MRSH

Reference **Press Notice 140**

Please reply to 01 - 633 6358

01 - 633 7543

Date **31 March 1981**

NATIONAL MOBILITY SCHEME STARTS ON 1 APRIL 1981

The National Mobility Scheme to help tenants of local authorities, new towns and housing associations in England and Wales to move to a different area for job or social reasons, starts tomorrow (1 April 1981).

The Scheme is sponsored by the Association of District Councils (ADC), the Association of Metropolitan Authorities (AMA), the London Boroughs Association (LBA), the Greater London Council (GLC), the New Towns Association (NTA), the National Federation of Housing Associations (NFHA) and the Department of the Environment.

The Scheme will be open to the tenants and people high on waiting lists of all participating local authorities, new town development corporations and housing associations, who need to move to a different area for employment or social reasons. Other people with a pressing need to move will also be able to apply. Leaflets describing the Scheme will be available from local authority housing departments, job centres and elsewhere. The Scheme is described in a paper entitled 'National Mobility Scheme: Its Objectives, Principles, Outline Procedures and Management' copies of which are available on request.

Proposals for setting up a voluntary national mobility scheme were produced by the local authority associations and first announced by John Stanley, Minister for Housing and Construction during proceedings of the Housing Bill Standing Committee on

6 March 1980. (See DOE Press Notice 84, 7 March 1980).  
Soon afterwards, in collaboration with the sponsoring organisations (ADC, AMA, GLC, LBA, NTA, NFHA), he set up a joint study group to work out the detailed operation of the Scheme. When the group had completed its work, the Associations presented the Department with a set of final proposals - including the setting up of a small office to monitor and promote the Scheme.

The National Mobility Office will be run by the Scheme's Director, Mr Ben Affleck FIH, MRSH, who was formerly Housing Director for Milton Keynes Development Corporation. The cost of the Office will be met initially by the Department of the Environment under new powers provided in section 46 of the Housing Act 1980.



# NATIONAL MOBILITY SCHEME

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## NATIONAL MOBILITY SCHEME

### What is the National Mobility Scheme?

The National Mobility Scheme is a Scheme agreed between most public housing authorities and new towns in England and Wales to help tenants, people with high priority on housing waiting lists and people with a pressing need, to move to a different area. Housing association tenants may also be included if their associations are participating in the Scheme.

### Who can apply?

The Scheme is for people who have a definite need to move either for job or for social reasons, to somewhere beyond reasonable travelling distance from their present home.

If you are applying for job reasons, either you or your wife or husband should have already started a job, or received a firm job offer which you will accept provided that you can get a home in the new area. Your local council housing department will be able to tell you whether the council in the area to which you want to move is taking part in the Scheme.

### What sort of social reasons count under the Scheme?

A good example is a relative who needs your help and support, because they are old or permanently ill. Or, if it is you who needs help you may want to move closer to other members of your family. Councils will look at each case individually, and will tell you whether they need any supporting papers.

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### **Who could go with me if I moved?**

Everyone in your family who normally lives with you now, but not normally any lodgers or anyone to whom you sub-let a room. You should be quite sure that you want to move home permanently before applying: once you have moved, it might not be easy for you, or anyone moving with you, to move back to the area you have left.

### **How do I apply for a move?**

You go to your local council's housing department who will help you fill in a form; but if you are a tenant of a new town, you go to the new town development corporation housing department. Take along any papers which may help your application.

### **How long will it be before I know my application has been accepted?**

Your application has got to be looked at by your own local council (or new town) and the one in the area to which you want to move. If your council's housing department (or new town) is not prepared to nominate you to your chosen area it will tell you why. Your council's housing department (or new town) will keep you informed of progress. If you haven't heard after a month you should ask them about your application.

### **Should I continue to try to find accommodation myself?**

Yes: if you think there are other ways of moving to the new area which would meet your needs and circumstances you should keep trying them as well. For example you may be able to find a council tenant (or a tenant of a housing association or new town) in the area to which you want to go who would exchange with you; or you may be able to find one who is willing to sub-let part of their home

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or to take in lodgers; or you may be able to find a suitable private letting. The council of the area to which you want to go may be able to give you information about low-cost home ownership schemes for first time buyers or might be able to make a house available for you up to one year while you look for permanent accommodation.

*Before you commit yourself to one of these other ways of moving you should first tell your council (or new town) housing department, so that they can explain how it would affect your chances of moving under the Scheme.*

CONFIDENTIAL



*Margaret 2.  
Prime Minister*

*The Chancellor proposes  
more work on objectives for  
the private rented sector.*

*At 'x' overlay, he suggests*

Treasury Chambers, Parliament Street, SW1P 3AG that further  
01-233 3000 discussion might

4 March 1981

*need to be taken out  
of Misc 14. This is*

The Rt. Hon. Michael Heseltine MP  
Secretary of State for the Environment

*probably right, but  
this can be judged  
when the paper  
appears.*

*Mr Heseltine*

*ms*

*MR 4/3*

MOBILITY - HOUSING ASPECTS

When we met last week, among the matters we discussed was your letter of 28 January about the contribution the private rented sector can make towards easing constraints on labour mobility.

Your letter covered three aspects: measures in the tax field, the possibility of subsidies for private landlords and a reduction of rent control. You know my doubts about your proposal for capital allowances, but I have offered further consideration of the idea after the Budget. As I promised, I asked my officials to examine quickly your suggestion for subsidising the difference between agreed rents under the assured tenancy scheme and full commercial rents. I am bound to say I see difficulties with the proposal, over the above the question of public expenditure cost. Hence, I do not think it could be the subject of an early announcement but at this stage I would not want to rule it out finally. As for rent control, you have indicated that you will be seeking legislation which might embrace proposals for some further decontrol of rents.

I think it would be helpful to your consideration of these questions if we had a more comprehensive assessment of the private rented sector, and the possibilities for government action. I suggest we ask officials to consider this jointly and report back quickly on the most promising avenues of approach. This procedure seems to me to be preferable to trying to tackle separately the various ideas that have been put forward.

/I do not

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I do not envisage a long and detailed review. What I would like to see is a paper which identifies reasonable objectives for any action that might be taken in this area, discusses what forms such action might take, and considers their effectiveness and cost. We could then give officials guidance on which ideas we want them to develop. In addition to our own officials the CPRS might be interested in contributing.

X / You set your letter in the context of MISC 14. However, there are clearly implications which run far wider than labour mobility. Although we would need to keep colleagues on the Committee in touch with developments, we might wish to consider whether it is the appropriate forum for the main discussion. We could look at this aspect again when we have a paper.

If you are content, I will ask my officials to contact yours and set this mutual study in hand as soon as possible. I would expect the study itself to be completed fairly quickly, although as you are aware any subsequent detailed work on possible tax measures could not be undertaken until the Finance Bill is over.

I am sending copies of this letter to the Prime Minister, members of MISC 14, the Secretary of State for Employment, the Lord Chancellor, Sir Robert Armstrong and Robin Ibbs (CPRS).

GEOFFREY HOWE

CONFIDENTIAL



Manpower - July 80

RESTRICTED



*Mr Dwyer*

*Manpower*

2.

2 MARSHAM STREET  
LONDON SW1P 3EB

*MM*

My ref: H/PSO/10219/81

*Prime Minister*

Your ref:  
28 January 1981

*John Balfour*

*Mr Heseltine presses the Chancellor for a more radical approach to tax adjustments on housing finance, as an aid to labour mobility.*

*MM 28/1*

MOBILITY - HOUSING ASPECTS

Thank you for your letter of 12 January in which you deal with the taxation aspects of my letter to you of 20 November about labour mobility.

On the tax position of private landlords you offer no more than consideration of their problems as and when the relevant taxes are subject to routine review. I am disappointed by this. Our discussions in MISC 14 provide the opportunity to look immediately and radically at constraints on labour mobility with a view to action well within the lifetime of this Parliament. As you said in your letter of 12 August, we need to develop a coherent pan-Whitehall strategy on labour mobility rather than pursue separate strands seriatim, and private renting is a crucial element of the problem. I agree with this and I know Keith Joseph has similar thoughts. So let us look now in MISC 14 at what can be done for private renting.

In our Housing Act we have already taken a wide range of measures to stimulate the sector - not only by lowering security (shorthold and new resident landlord lettings) but also by increasing the rental return of landlords (by decontrol and reduction in the fair rent review period). I am certainly prepared to consider what more may be done, and I am already developing ideas on selective de-regulation, which was considered by the CPRS in their report (para 82 of MISC 14(80)21). The CPRS concluded however that no measure is likely to stimulate a major revival in private renting unless assistance is provided similar to the tax relief and subsidies enjoyed by other sectors. They made no recommendations on this, but this is the area we must now examine if private renting is to receive a real stimulus.

We must look again at the tax position of private landlords, especially in the light of Keith Joseph's letter to you of 19 January. Taxation is the quickest and simplest means of taking action because little if any new administrative machinery is required. I can understand your concern that the extension of capital allowances to private landlords might lead to similar pressures from other sectors. Similar arguments of course applied to the concessions already made for enterprise zones and small workshops. It is a matter of the priority we accord a particular issue. Keith Joseph has written to both of us about the success of the Workshop Buildings Allowance proposing its extension to the production of extra dwellings for rent as another area where wider policy considerations - industrial as well as housing - justify special treatment. Private renting of course does not

enjoy any level of capital allowance at present, and I hope that Keith's letter will lead you to consider extending at least the standard level of allowance to building new dwellings - and possibly conversions - for private renting.

Another possible approach has been suggested by John Stanley following a visit by him to the USA where there is a tradition of Federal intervention in the private rental market as a means of reducing reliance on public sector housing. This has taken the form of favourable tax treatment, guarantees of loans and subsidised loans. Most recent and most successful, is their section 8 programme. The Federal Housing Agency contracts, for periods of up to 40 years, to pay landlords on a monthly basis the difference between what would be a market rent and the rent which low income tenants can afford. As well as bringing private renting within people's means, this enables landlords to raise long term capital from otherwise reluctant lending institutions - especially with the added facility of Federal mortgage guarantees. By mid-1978 the programme was increasing at an annual rate of 400,000 units including a substantial proportion of newly built units.

Obviously the system cannot be transplanted to the UK in its entirety, but I think we have much to learn from the way they have subsidised the private sector to reduce dependence on local authority housing. I would like to suggest that we should examine the possibility of introducing in the UK some form of Government loan or loan guarantee to enable long term capital to be raised, together with a grant to cover part of the construction costs.

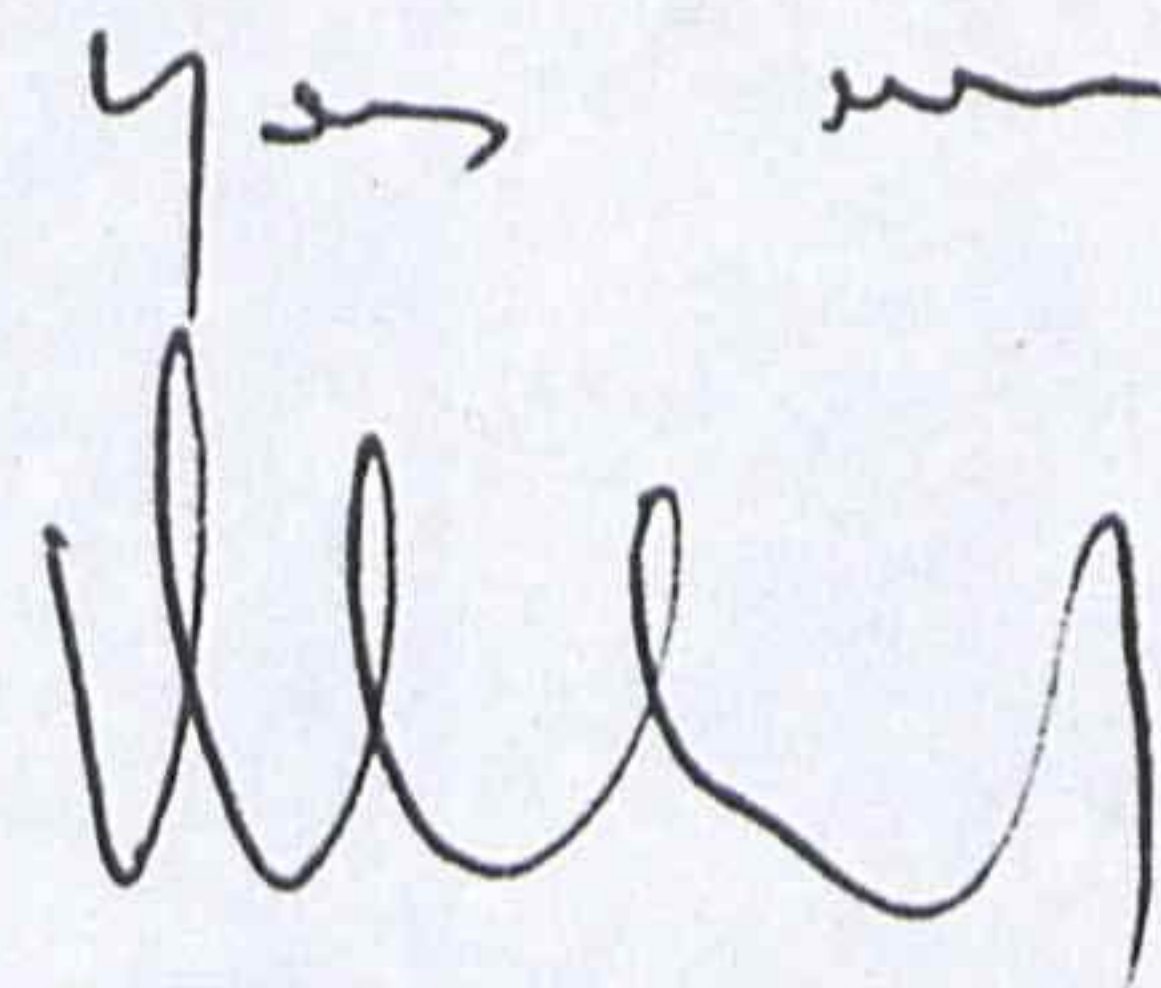
Clearly I recognise that either of the proposals I have made would have PSBR implications. But both are aimed only at providing new dwellings and there would therefore be a guaranteed return from our investment. The result in addition to the housing stock would not only assist labour mobility, but would almost certainly be achieved at less cost to the Exchequer than if through local authority or housing association building.

I said earlier that I would be prepared to consider action on my side - and I do not exclude further measures to increase landlords' rental income. But there is a limit to how far this stone can be squeezed. Private renting tenants are on average poorer and older than those in other sectors, and at present are paying more than their local authority and housing association equivalents, although their accommodation is generally of a lower standard. The recently agreed increase in local authority rents will perhaps give more leeway for action on private rents, but an increase in rents on its own - so soon after the Housing Act measures - is likely to cause political controversy and difficulty, not least in London, without a sufficient stimulation to new lettings and buildings. I think, therefore, we should look to a package of action in which Government assistance to landlords - whether through capital allowances or other means - plays a substantial part. Clearly legislation will be required, but it would be an attractive package politically, particularly on our own side. The Opposition would obviously make the most of any action on rent levels, but might go along with taxation or other measures to assist landlords financially - especially if, as seems possible, the Select Committee on the Environment pursue a

similar line of thought in their current study of private renting.  
Clearly it would greatly increase the preparedness of private  
landlords to invest if the threat of Opposition repeal could  
be reduced or removed.

I am copying this letter to the Prime Minister, members of  
MISC 14, the Secretary of State for Employment, the Lord  
Chancellor, Sir Robert Armstrong and Robin Ibbs (CPRS).

Yes



MICHAEL HESELTINE



*Manpower* 2  
DEPARTMENT OF THE ENVIRONMENT  
2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 7601

MINISTER FOR HOUSING AND CONSTRUCTION

19 January 1981

Mike Pattison Esq  
Prime Minister's Office  
10 Downing Street  
London SW1

*Prime Minister*

*Dear Mike*

*MAJ 20/1*  
*ms*

NATIONAL MOBILITY SCHEME

Mr Stanley is announcing in a Written Answer today the start on April 1 of the National Mobility Scheme. I attach a copy of the Answer and the associated press notice. Mr Stanley expects this announcement will be well received and is trying to obtain maximum coverage from the media.

I am copying this to Robin Birch, *in Mr Lynn's office.*

*Yours sincerely*  
*A. Ridell*

ALAN RIDDELL  
Private Secretary

HOUSE OF COMMONS

Mr Nicholas Winterton (Con - Macclesfield)

182 To ask the Secretary of State for the Environment, what progress is being made with the national mobility scheme.

MR JOHN STANLEY

I recently met the Chairman of Housing Committees of the Association of Metropolitan Authorities, the Association of District Councils, the London Boroughs' Association and the Greater London Council. We reached agreement on the form of the National Mobility Scheme to which I referred in my statement of 6 March last year and which has since been developed in a joint Working Group. The Scheme will start on 1 April 1981.

The Scheme will be open to all district and borough councils, new town development corporations and housing associations.

The local authority associations are now inviting all their member authorities to confirm as soon as possible that they will participate. In at least 20 counties the authorities have already agreed arrangements for moves between districts in the same county. A small office is now being set up to work out the procedures for moves across county boundaries and to promote the Scheme generally. My rt hon Friend has agreed initially to meet the cost of the office's work through grants under Section 46 of the Housing Act 1980.

The office will be headed by Mr Ben Affleck - formerly Director of Housing for Milton Keynes Development Corporation. He will report to a joint steering committee of representatives of the local authority associations, the New Towns' Association, the National Federation of Housing Associations and the Department. This committee will be responsible for policy on the operation and future development of the Scheme.

Monday 19 January 1981  
Department of the Environment

467/80/81  
(22)

19 January 1981

## NATIONAL MOBILITY SCHEME TO START ON 1 APRIL 1981

John Stanley, Minister for Housing and Construction, today announced that the National Mobility Scheme for public sector tenants in England and Wales would come into effect on 1 April.

In answer to a Parliamentary Question from Nicholas Winterton MP (Macclesfield), John Stanley said:

"I recently met the Chairmen of Housing Committees of the Association of Metropolitan Authorities, the Association of District Councils, the London Boroughs' Association and the Greater London Council. We reached agreement on the form of the National Mobility Scheme to which I referred in my statement of 6 March last year and which has since been developed in a joint Working Group. The Scheme will start on 1 April 1981.

"The Scheme will be open to all district and borough councils, new town development corporations and housing associations.

"The local authority associations are now inviting all their member authorities to confirm as soon as possible that they will participate. In at least 20 counties the authorities have already agreed arrangements for moves between districts in the same county. A small office is now being set up to work out the procedures for moves across county boundaries and to promote the Scheme generally. My Rt Hon Friend has agreed initially to meet the cost of the office's work through grants under Section 46 of the Housing Act 1980.

"The office will be headed by Mr Ben Affleck - formerly Director of Housing for Milton Keynes Development Corporation. He will report to a joint steering committee of representatives of the local authority associations, the New Towns' Association, the National Federation of Housing Associations and the Department. This committee will be responsible for policy on the operation and future development of the Scheme."



#### NOTES TO EDITORS

John Stanley announced proposals for the National Mobility Scheme in his statement to the Housing Bill Standing Committee on 6 March 1980 - see DOE Press Notice 84 (7 March 1980).

These final proposals were submitted unanimously to the Government by the local authority associations last year. There are two elements to the National Mobility Scheme - one to improve mobility within counties, and the other to improve mobility between counties. Within counties each authority undertakes to make available each year approximately the same number of lettings for tenants of other authorities within the county as the number of vacancies obtained through its own tenants moving elsewhere within the county. In addition authorities agree to make available for moves between counties at least a further one per cent of their annual re-lets and new lettings.

#### BIOGRAPHICAL NOTES

B D M Affleck FIH MRSH - former Director of Housing for Milton Keynes Development Corporation, after more than 35 years experience in local authority housing. He has worked in Rotherham, Flint, Cannock, Solihull and Birmingham. He is a member of the Council of the Institute of Housing and a former Chairman of the New Towns Housing Managers' Committee. He is also a member of the Royal Society of Health.

Telephone Nos: 01-212 4680/1/7114/7132/5113  
Night Calls (6.30 pm-8.00 am)  
Weekends and holidays: 01-212 7071



2.  
Prime Minister

To see the Chancellor's thinking on tax provisions affecting housing mobility.

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

12 January 1991

The Rt. Hon. Michael Heseltine, M.P.,  
Secretary of State for the Environment

MD 12/1

ms

*Dr Heseltine*

MOBILITY - HOUSING ASPECTS

*will request if required*

You wrote to me on 20 November about the contribution our housing policies can make to easing constraints on labour mobility. Your letter was included in the papers for the recent MISC 14 meeting, and hence I assumed you did not want me to comment on every aspect subsequently. However, there were a number of issues where you mentioned a particular Treasury interest:

- taxation changes to give more realistic returns to fair rent landlords
- CGT exemption for resident landlords
- private finance for housing association improvement for sale schemes
- stamp duty on sales under right to buy provisions.

Since you wrote there has been further correspondence on two of these matters. Nigel Lawson wrote to you on 18 December agreeing that in the limited case of housing association improvement on sale schemes Housing Corporation guarantees of private finance could be accepted. And on the subject of stamp duty, Peter Rees has agreed that a provision will be included in the next Finance Bill to ensure that the duty on purchases of public sector dwellings at a discount under the housing legislation will be assessed on the discounted price. Hence there remain only the questions of giving more realistic returns to fair rent landlords and extending the CGT exemption for resident landlords.

1. More realistic returns for fair rent landlords

Having reviewed the possibilities in the tax field, I am afraid that, I see little scope for changes aimed at improving the returns to landlords. They would raise wider issues and give

/rise to.



rise to pressure from others for similar treatment. When, in future, we look at relevant tax issues (such as the future of the investment income surcharge; or the capital allowances for buildings which will be considered in a later stage of the corporation tax review) the impact on residential landlords will of course be kept in mind. However, in the circumstances, I doubt whether there would be any gain in further discussion among officials now.

## 2. CGT exemption for resident landlords

Since our correspondence earlier this year, the Revenue have published, with the approval of your officials, a statement of practice. This makes it clear that where the owner of a house, which was previously occupied as his (or the family) home, lets part as a flat or set of rooms without structural alterations (or with only minor adaptations), he will be regarded as letting part of his dwelling-house even where the tenants have separate washing and cooking facilities. It seems to me that this is likely to cover the vast majority of cases with which we are concerned. I should have thought that the new relief met the objective of encouraging owner-occupiers to let part of their homes. Extending the relief to all resident landlords would simply present landlords with an unlooked-for bonus. As I have said we shall keep the relief under review and if it proves too restrictive we shall consider whether it should be extended. I do not feel able to go beyond this at this stage.

I am sending copies of this letter to the Prime Minister, members of MISC 14, the Secretary of State for Employment, the Lord Chancellor and to Sir Robert Armstrong, and Robin Ibbs (CPRS).

GEOFFREY HOWE

A handwritten signature in dark ink, appearing to read 'Geoffrey Howe', with a horizontal line underneath.



2

**10 DOWNING STREET**

PRIME MINISTER

You asked a little while ago about arrangements for circulating job vacancy information. I attach a note prepared by the Manpower Services Commission describing existing arrangements and their plans to review these.

MA

MS.

24 September 1980

CIRCULATION OF VACANCY INFORMATION

It is certainly the case that with the exception of Professional and Executive Recruitment, which operates a centralised system for more senior and professional appointments, and a small unit dealing with overseas vacancies and jobseekers wishing to go abroad, there is no single clearing house for vacancies within the public employment service. There are, however, well-established and used clearing arrangements operating on a slightly different basis. Each of the employment service's 18 area offices contains an Employment Information Centre (EIC) which receives from local offices details of vacancies not filled rapidly from their own catchment areas, and similarly details of jobseekers wishing to move to another part of the country. Some of this incoming material will be circulated by each EIC to local offices in its area; some will be retained by the EIC as reference material for utilisation in handling enquiries from individual jobcentres. Broadly speaking, EICs attempt to direct vacancies to offices which they know have on their registers jobseekers likely to be interested in them, and vice versa. In addition it is open to any jobcentre to make enquiries direct of another office, or through the EIC network, on behalf of an employer or jobseeker. This system is frequently used, particularly in respect of skilled vacancies and jobseekers.

The system relies substantially on the training and experience of the staff and their knowledge of labour markets. It is also, admittedly, selective - for the simple reason that the vast majority of vacancies are filled locally, and within a very short time of notification (~~typically, 2~~ <sup>usually within 5</sup> working days). The service uses a variety of means, from photocopying and post through facsimile transmission to (increasingly) computer-based system, to transmit vacancy information speedily over travel-to-work areas. Where the more sophisticated systems have been installed, they have been based on close analysis of travel-to-work and vacancy-filling patterns and subsequent cost-benefit analysis.

Experience suggests that the means by which vacancy information is now circulated is adequate and efficient, taking account of recent plans to install computerised systems where these do not already exist. A review of vacancy circulation arrangements is, however, planned for later in 1980, and this will take account of the scope for central clearing arrangements (it will, for example, look at the Canadian employment service's on-line jobbank for "distant" matching) but it is fair to say that there is little basis in experience so far to suggest that a single clearing house is likely to be cost effective.

With respect to the reasons why so few vacancies appear to be filled from beyond the immediate locality, the current arrangements recognise that for the most part there is not a truly national market for labour, but rather an aggregation of largely local markets. Nonetheless for those who do contemplate moving there are means for them to find out about jobs in other places. In practice however there are many reasons why people find it difficult to seek or indeed be selected for jobs away from their own area.

Unemployed people often feel tied to their home area, where employment prospects may be poor, by personal attachment to the home environment, friends and family. They are often cautious about the reality and permanence of a remote job opportunity compared to the secure feeling of the local area, with its range of 'contacts' and knowledge of the local firms, concern about employment prospects for their spouse and children in the new area (and the disruption of childrens' education). They are constrained by the expense of moving house, and most important of all, the problem of finding suitable accommodation.

In order for a vacancy from another areas to be attractive enough, it must generally offer both a wage in excess of £100 per week and the possibility of either early allocation to local authority housing or the availability of reasonably inexpensive private accommodation. Very few vacancies satisfy both these criteria, although it may be that recent changes in housing policy affecting local authorities will help to alleviate accommodation worries. Employers are all too often reluctant to employ someone who has to travel a long way to work, fearing either that transport will prove unreliable or that the jobseeker will leave the firm quickly, either because he or she tires of the journey or finds a post nearer home.

The public employment service has traditionally done what it can to assist and encourage geographical mobility. It is responsible for 2 schemes to encourage mobility - the Job Search Scheme (JSS) and the Employment Transfer Scheme (ETS). The schemes provide fares, removal expenses, grants towards settling in the new area and financial assistance towards legal costs, for unemployed people who seek for or move to new areas for work for which there is no suitable local manpower.

Special arrangements under the Job Search Scheme were recently made in 3 instances for parties of skilled workers, who were unemployed or under threat of redundancy; to travel with their spouses to parts of the country where there were vacancies and where unfurnished rented accommodation was available. Early reports indicate that these visits can be worthwhile if rented housing is readily available, although the cost of each exercise is considerable, particularly in staff terms.

Although this note concentrates on vacancy circulation and mobility assistance, these are only a small part of the DE Group total effort in helping to alleviate skill shortages. Other elements of the effort include training programmes; discussions with companies on

the presentation of vacancies, recruitment procedures, manpower planning, staff retention, utilisation of available skilled labour (including adult trainees) and payment/bonus systems; approaches to local authorities on housing availability; a regular review of hard to fill skilled vacancies notified to job centres as a basis for concentrating action as well as for assessing the overall position.





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M Pattison Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

17 September 1980

~~De Ruber~~

CIRCULATION OF VACANCY INFORMATION

Thank you for your letter of 27 August in which you raise one or two questions about the note provided by the Manpower Services Commission (MSC) about the circulation of job vacancy information. You enquired about the absence of central clearing house arrangements for skilled vacancies and the low level of placings achieved through wide vacancy circulation. I have taken this up with the MSC, who have provided the ... attached note.

I am sorry it has taken little time to gather these comments but we felt it was necessary to give a fairly full account of this rather complex issue.

*De Ruber*

ANDREW HARDMAN  
Private Secretary

**Press Notice 358**

3 September 1980

**NEW GENERAL CONSENT FOR SALE OF COUNCIL HOUSES WILL HELP MOBILITY**

A new general consent for the disposal of land and houses by local authorities in England, other than under the right to buy provisions of the Housing Act, has been issued today. It applies to discretionary sales of houses and flats by councils, for example vacant dwellings or dwellings excluded from the right to buy.

Announcing the new consent, John Stanley, Minister for Housing and Construction, said:

"The new consent will help mobility in two ways.

"First, under previous consents council tenants who purchased their house or flat at a discount were required to offer them back to the council at the original purchase price for up to 8 years after the purchase. This could represent a significant impediment to purchasers who found they needed to move for employment or other reasons during the 8 year period. Under the new consent issued today, this requirement is replaced by the discount sharing arrangements as under the right to buy provisions of the Housing Act. This means that purchasers will always be able to resell their homes at the current market value, subject to the requirement to repay the value of their discount on a sliding scale diminishing by 20 per cent a year during the first 5 years after the purchase.

"Second, that part of the consent dealing with the sale of empty houses and flats specifically covers those who have a job offer in another area but no accommodation. Under the new consent, councils will have discretion to sell empty dwellings to priority groups of purchasers at a discount of up to 30 per cent. The priority groups include anyone with a firm offer of regular employment in the area of the local authority in which the house or flat is situated or in the area of any neighbouring authority. Thus a council will have the discretion to sell a vacant dwelling to someone who wants to move into their area for employment reasons and to give them a discount. This should help to get back into use both empty, and perhaps difficult to let, local authority dwellings and also help those moving into high cost areas to overcome the variations in house prices between different parts of the country."

## NOTE TO EDITORS

### NEW RESALE CONDITIONS

Under the previous general consents, sales at a discount were subject to a five or eight year right of pre-emption by the local authority at the original purchase price. The new consent introduces discount sharing arrangements similar to the provisions in the Housing Act 1980. If a purchaser resells his home within five years he will be able to sell at current market value but the discount will have to be repaid on a sliding scale reducing from 100 per cent in the first year to 20 per cent in the fifth, and no repayment thereafter.

### SALES OF VACANT DWELLINGS

Local authorities will be able to offer a discount up to 30 per cent on vacant houses and flats to special groups of buyers. They include those people moving to take up a new job. This should encourage greater mobility. The other priority groups will be first-time buyers, and those who have recently left armed forces accommodation, tied accommodation or accommodation in a slum clearance area.

### DISCOUNTS

Local authorities using their discretionary powers to sell to sitting tenants will be able to count for discount purposes any period the purchaser spent as a tenant of another local authority, a New Town or a housing association.

### DISPOSAL OF LAND

Local authorities have also been given a general consent for the disposal of housing land.

### GENERAL

This new general consent introduces terms very similar to those contained in the right to buy provisions of the Housing Act 1980 which came into force on 3 October (DOE PN No 330 of 11 August 1980). Further changes to the consent enabling it to reflect and complement the right to buy legislation more closely will be made following commencement of Part 1 of the Housing Act 1980 on 3 October.

On 7 March 1980 John Stanley referred to the eight different ways in which the Housing Act would help to achieve greater mobility. (DOE press notice no 84).

Telephone Nos: 01 212 3490/1/2/3/4/5/6  
Night Calls (6.30 pm to 8.00 am)  
Weekends and Holidays:  
01-212 7071



10 DOWNING STREET

PRIME MINISTER

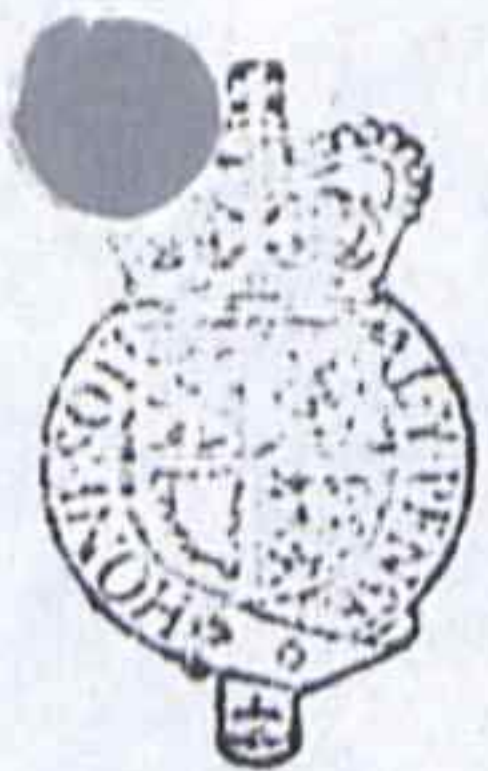
I attach replies sent by the Department of the Environment to three correspondents who complained of housing problems when trying to find jobs in a new area.

The Department has tried to be sympathetic in replying, but you will see that they can offer nothing in the face of local authority obstinacy. This is an issue which will need to be taken up when Ministers discuss mobility later in the autumn.

2 September 1980

MR

MB



Room N9/13  
Department of the Environment  
2 Marsham Street London SW1P 3EB

Direct line 01-212 4325  
Switchboard 01-212 3434

Correspondence and  
other letters in G.R.

F Connor Esq  
c/o 1 Argyle Avenue  
HOUSLOW  
Middlesex

Your reference

Our reference

Date

27 August 1980

Dear Mr Connor

1. I have been asked to reply to your letter of 26 July to the Prime Minister about your problems in trying to get council accommodation in Hounslow. Your letter was referred to this Department because of the Secretary of State for the Environment's responsibility for housing policy.

2. I am sorry to hear of your difficulties. Responsibility for allocating local authority housing rests by law with district councils and the Department has no power to intervene in individual cases. However, because of your problems, I have consulted the London Borough of Hounslow. They told me that although you could in theory join the waiting list for accommodation, while your family still lives away, you would not get enough "points" to be offered a new home. If you cannot find temporary accommodation for your whole family in Hounslow, there does not seem to be any chance of you getting a Council tenancy in this way. It would certainly be unwise to give up your tenancy in Scotland unless you had been able to make firm arrangements in London.

3. Hounslow have "reciprocal transfer" arrangements with a number of other local authorities, but not with the Kilmarnock and Loudoun DC. (Hounslow consider that if they accepted you as one half of a reciprocal transfer, it is so unlikely that one of their tenants will want to go to the Kilmarnock area, that they would effectively be giving up a council home, which would otherwise have gone to a local family who had been waiting a long time.)

4. The Borough keep a list of tenants who are interested in making a direct exchange of homes with people from other areas. You can go and see the list at the Housing Advice Centre in the Town Hall at Treaty Road. The Centre is open between 9.30 am and 4.30 pm on Mondays, Tuesdays, Wednesdays and Fridays - on Thursdays it is open until 7 pm. Alternatively you might consider trying some other local authorities in the area. There are also some private agencies which try to help people find exchange partners - the Locatex Bureau, PO Box 1, March, Cambridgeshire is one we have heard of.

5. This Department is currently involved in the development of a natural mobility scheme for the tenants of public housing authorities in England and Wales. The basic principles of the Scheme are set out in the enclosed copy of a Press Notice which records the statement by the Minister of Housing on 6 March. As you will see the Government hope to extend the Scheme to Scotland later, although at the moment we are concentrating on getting it into operation in England and Wales.

6. I am sorry I cannot be of direct help, but I hope this information will be useful to you.

Yours sincerely

W. Hills

W HILLS

ENC

## Press Notice

84

7 March 1980

### NEW HOUSING MOBILITY SCHEME

1. John Stanley, Minister for Housing and Construction, yesterday announced the first step towards the creation of a scheme to improve housing mobility amongst public sector tenants throughout England and Wales with the possibility of later extension to Scotland and Northern Ireland.

2. Speaking during the debate on Clause 45 of the Housing Bill, which enables the Government to make a financial contribution towards the costs of transfer and exchange schemes, John Stanley said:

"The Association of Metropolitan Authorities, the London Boroughs Association and the Association of District Councils have been considering at our request how moves between authorities can be made easier. I am glad to tell the Committee that they have unanimously put forward a proposal for a new mobility scheme, that

will apply throughout England and Wales with the possibility of later extension to Scotland and Northern Ireland.

The essence of the scheme is that, first, within each Metropolitan County, each Non-Metropolitan County and within the GLC area, each housing authority will make available a number of lettings annually for people who need to move into its area from within the same county area. This number of lettings will be approximately equivalent to the vacancies arising from people who leave the authority as part of the scheme to move elsewhere within the same county. Second, and in addition, the Associations have proposed that each District Council, the London Boroughs and the GLC will make 1% of their lettings available for people seeking to move into their authority's area from another Metropolitan or Non-Metropolitan County, or from outside Greater London.

This figure is still under discussion with the Associations but it will be additional to their existing arrangements for transfers and mutual exchanges within an authority; additional to all mutual exchanges between authorities; and additional to the operation of the first part of the mobility scheme within each county that I have just described.



I very much welcome this initiative by the Associations which marks a very significant development in co-operation between local authorities. The scheme is primarily for those who are council tenants already or are high on the waiting list or who need to move urgently for employment reasons, but I hope to extend it to Housing Associations and to the New Towns as well.

As the next step, I am setting up a working group with the local authority associations immediately, to settle the final provisions of the scheme and prepare the ground for its introduction - probably on a manual basis first in the interests of an early start, and then moving over to a computer basis. The provisions of Clause 45 may be available to enable a Government financial contribution to be made towards this preparatory work and then towards the operation of the scheme.

To complete the picture I should stress that the Housing Bill will help to achieve greater mobility in no less than 8 different ways.

First, by giving public sector tenants the right to buy their homes.

Second, by the measures in the Bill to help other first-time buyers - particularly shared-ownership and improvement for sale.

Third, by the introduction of shorthold.

Fourth, by making it easier for owner-occupiers to take in tenants.

Fifth, by giving public sector tenants the right to sub-let and take in lodgers.

Sixth, by the special encouragement which will be given to local authorities to make houses available for up to one year to people moving into their area to take a job whilst they look for permanent accommodation.

Seventh, by the publication of housing association and local authority allocation, transfer and exchange rules.

---

And eighth, by the new powers of the Government under Clause 45 to make a financial contribution to mobility schemes.

I think the combination of the Bill's statutory provisions together with the country wide mobility scheme based on the local authority associations' proposals will, over a period, make a significant and increasing contribution towards greater housing mobility in Britain".

Telephone No: 01-212 3490/1/2/3/4/5/6

Night Calls (6.30 pm to 8.00 am)

Weekends and Holidays 01-212 7071

FILE

VLB

*Manpower*

27 August 1980

~~BF 10.9.80~~

*Separate  
file in GR /*

Thank you for your letter of 15 August, with which you enclosed a copy of your reply to Mrs. S. Fitzpatrick of Canrothes, and a note from M.S.C. about the circulation of job vacancy information.

The Prime Minister has noted the existing arrangements. She is surprised that there appears to be no centralised clearing house arrangement for vacancies for skilled jobs. She has recently had drawn to her attention several examples of cases where projects have been held up owing to the absence of workers with particular skills.

The M.S.C. note records that skill shortage vacancies are given wider circulation through area offices, and that a small proportion are given still wider circulation.

M.S.C. note that consequent placings achieved are few in number. It would be helpful if we could have a little more information about the reasons for the relative lack of success here.

M A PATTISON

Andrew Hardman, Esq.,  
Department of Employment.

*29*



✓ MHD

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

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Rt Hon Michael Heseltine MP  
Secretary of State for Environment  
Department of Environment  
2 Marsham Street  
LONDON SW1

21 August 1980

*Dear Michael*

MOBILITY

*request needed*  
I have seen copies of the letters to you from Keith Joseph (7 July) and Geoffrey Howe (12 August).

It is not easy to prove but I am quite sure that removing constraints in the housing market is one of the main ways the Government can help to increase labour mobility. The MSC are frequently pressing me on this.

Our officials are discussing various research proposals and CPRS are looking at the whole area for MISC 14. In the meantime I look forward to seeing your reactions to Keith and Geoffrey's suggestions - particularly in relation to the private sector and the role of Housing Associations.

I am copying this letter to the Prime Minister, members of MISC 14 and Sir Robert Armstrong.

*Yours  
Michael*

PRIME MINISTER

Following the correspondence about problems faced by job seekers who try to change location, we made some enquiries of the Department of Employment about the system for circularising vacancies to other areas.

The attached note from the Department shows that there is a regular system for circulating most job vacancies to neighbouring job centres, and for circulating a proportion on a much wider basis. The figures below show that circulation to neighbouring job centres produces a significant proportion of the candidates who fill job centre vacancies, although the wider circulation of a limited number of jobs produces little success.

20 August 1980

*MP* Is there no "clearing house" for vacancies for skilled job. I heard that weekend of 6 hours in Kent that could not be completed because there are no plasterers available etc.

SW



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M Pattison Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

15 August 1980

*Don Herb,*

*Separate file* Thank you for your letter of 5 August with which you enclosed one the Prime Minister had received from Mrs S Fitzpatrick of Pitteuchar, Glenrothes, seeking ... help for her husband to find a new job. I enclose as requested a copy of the reply sent by one of our officials.

... I also enclose for your information a note prepared by the MSC's Employment Service Division on circulation of job vacancy information. I hope this will be useful.

*He Sue*

ANDREW HARDMAN  
Private Secretary

MSC: CIRCULATION OF JOB VACANCY INFORMATION

It is the standard practice in Jobcentres and Employment Offices to select those job vacancies notified to them where there is a possibility of interest to jobseekers who attend other offices, and to circulate those selected by the fastest available means. Although for the less populous areas, this means circulation by photocopying and first-class post, most urban areas have technological aid (facsimile transmission, computerised message-switching, or on-line data base) which allow job vacancy information to be circulated within an hour of receipt. Approximately 70% of the 1,400,000 vacancy orders notified to Jobcentres and Employment Offices in the year ending June 1980 were given this form of immediate circulation, and largely as a result of this activity approximately 300,000 people were able to find jobs in the areas of Local Offices other than those at which they discovered the vacancy.

The immediate circulation of vacancies is made to the neighbouring Jobcentres which form the natural catchment area for jobseekers, bearing in mind local transport and commuting custom. Vacancies which cannot be readily filled by this means are considered for more extended circulation to other areas from which interested jobseekers may be found, bearing in mind the attractiveness of the vacancy and the level of surplus labour in other areas. Skill-shortage vacancies are given wider circulation regardless of the likelihood of subsequent placings. This circulation is achieved by photocopying and post through a network of 18 Area Offices. Approximately 10% of vacancies are given wider circulation though the consequent placings achieved are few. There is also the capacity for circulation of vacancies throughout the European Community via the SEDOC system (International Telex).

Jobcentres and Employment Offices also have links for vacancy circulation with Careers Offices and Skillcentres. Methods of circulating vacancy information to Unemployment Benefit Offices are now being considered.

A description of the 4 methods of mechanised circulation is attached.



## MECHANISED VACANCY CIRCULATION

### MUFAX

Mufax is a proprietary facsimile transmission or "remote photocopying" system. Documents fed into the sending LO's transmitter are reproduced by receivers in other offices. Most Mufax systems send all the vacancies transmitted to all LO's in the system. More selective transmission has been achieved in some Mufax systems. Mufax systems are operating in Edinburgh, Leeds and Bradford, Sheffield, Manchester, Birmingham, the Black Country, South Wales, Nottingham, Brighton and Bristol. However, Mufax is gradually being replaced by computer-based message switching systems which are more versatile and produce vacancy display cards of a quality suitable for presentation in "self-service". The transmission process takes a few minutes per vacancy.

### Message Switch

Message Switch is a vacancy circulation system based on a message switching mini computer (usually sited at an Area Office) connected to tele-type terminals in local offices. Vacancy details and display "cards" or other short messages are typed in and transmitted via the mini computer to one of a set of defined groups of office. Several different circulation patterns can be available for each LO. Messages can be stored by the computer until the terminal in the receiving office is free. Vacancies are transmitted from the computer to a receiving office terminal when it is available ie usually within minutes but in any case within the hour. At present Message Switch systems are in operation in London, Glasgow and Merseyside.

### VACS (Vacancy Circulation and Statistics System)

VACS is an enhanced Message Switch system which, in addition to circulating vacancies, collects and collates vacancy statistics. A VACS system is already operating in the North East. A system is being installed in the West Midlands, and other systems are planned for the South West, Western, East Pennines, Scotland East and North, Wales, East Midlands, North West, Manchester and Eastern Areas.

### CAPITAL (Computer Aided Placing In The Area of London)

CAPITAL is an online realtime computer system which provides registrant, employer and vacancy information storage and processing for certain Local Offices in North East London. Apart from its many other functions, therefore, it provides vacancy circulation by allowing LO staff and jobseekers to interrogate and view by means of visual display units a range of relevant vacancies from the entire library of vacancies within the system. The system also provides vacancy display cards for self-service use, as well as cancellations for cards so circulated. Vacancy data is available to all users of the system within seconds of notification. MSC plans to extend this system to cover all of London by Spring 1984, given Treasury approval.



Prime Minister  
To see the Chancellor's  
thoughts on mobility.  
No reactions  
yet from the  
recipients.

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

12 August 1980

The Rt. Hon. Michael Heseltine, MP.,  
Secretary of State for the Environment

Dear Michael

MAH  
21/8

MOBILITY

Housing has already made a vital contribution to the Government's essential objectives. It is to provide a large share of the cuts in public expenditure. With the imminent enactment of the right to buy, it is helping to roll back the State and give individual citizens greater control over their own lives.

Part of to answer  
to simple bond

These are substantial achievements. A further challenge remains, however, one which has defeated successive Governments in the past. This is the creation of a housing system which facilitates labour mobility and thereby helps our economic performance.

MISC 14  
4th Meeting  
Item 1 para c  
Pg 8.7.80

Keith Joseph made a number of interesting suggestions on this topic in his letter of 7 July. We have now agreed in MISC 14 to ask the CPRS to produce a report on the whole subject of labour mobility. This provides an ideal opportunity to consider in a fundamental way our long term objectives in this field. As John Stanley told the House on 6 March, there are a number of measures in the Housing Bill which should help labour mobility in one way or another. I think it is fair to say that these are a number of separate strands of policy rather than a coherent strategy. Other parts of the Bill, notably the implementation of our pre-election commitment to grant limited security of tenure to public tenants, may operate in the opposite direction. Looking ahead to the remainder of this Parliament - and beyond - what more could we reasonably aim to do?

At the centre of the problem I suggest is the private rented sector. It is a fact of life that the effectiveness of our policies in this area will be constrained by people's fears of what changes a future Socialist Government might bring.

/This should



This should not inhibit us from adopting the policies we think are right, any more than it does in the field of industrial ownership. I should like to feel there was scope for providing landlords with a progressively more realistic return, within the fair rents system if necessary. And could we not think seriously of selective deregulation by area? It is, I believe, a frequent complaint in rural areas that these controls were devised for big cities, especially London, and are not appropriate for the different circumstances of other areas. Resident landlords appear to be exempt from the Opposition's dislike of private landlords. Can we build on this by giving the maximum encouragement to lettings by resident landlords, beyond the measures which we have already taken in the Budget and the Housing Bill?

While we are firmly committed to the expansion of home ownership, we need a reasonable supply of accessible rented housing as well in order to encourage mobility. If it really seemed impossible to prevent the further withering away of the private rented sector, it might be necessary to attempt to replicate its role within the public sector. By this I mean the provision of housing at economic rent on short leases without security of tenure, broadly as Keith Joseph proposed in his letter of 7 July. Local authorities might be required to use new lets and relets to build up gradually a stock of quick access housing (perhaps only a small percentage of their stock) which would be exempt from the normal security of tenure provisions. In the short term, we might use the Housing Associations to pioneer such a policy.

Movement within the home ownership sector presents a different array of problems. I am fully seized of the point about stamp duty. Setting that on one side, is there anything we can do about transaction costs? And what about people faced with a move to an area of much higher priced housing? I wonder if there is room for a co-ownership tenure, which would enable people to invest the capital from their old house in an equity share in a house in the new area, paying an economic rent on the remainder. Among other things this could enable them to preserve their ability to re-enter the housing market in their home area in due course.

These are simply suggestions, not fully worked out policies. There will be snags, not to mention the ever present public expenditure constraints. I put these ideas forward to show my preparedness to contemplate radical solutions in this important area, and to provide food for thought.

/I should

CONFIDENTIAL



I should welcome your comments and ideas.

I am copying this letter to the Prime Minister, members of MISC 14, and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to be "Geoffrey Howe", with a horizontal line underneath.

GEOFFREY HOWE

CONFIDENTIAL



GETMP

CF  
TO note X

10 DOWNING STREET

From the Private Secretary

5 August 1980

Dear Andrew

I enclose a letter to the Prime Minister from a skilled fitter/turner who lives in Fife, and who would be prepared to live anywhere to secure a job.

*Separate file*  
I should be grateful if you could arrange for a suitable reply to be sent on the Prime Minister's behalf to Mrs. Fitzpatrick. Could you also let us have a note on what steps MSC is able to take to circularise vacancies in a wider area than that covered by individual job centres.

I should be grateful for a copy of the reply to Mrs. Fitzpatrick for our records in due course.

Yours ever  
Mike Pattison

Andrew Hardman, Esq.,  
Department of Employment.

LB

PRIME MINISTER

This week's correspondence summary records a number of letters responding to your comments about the need for labour mobility.

The attached folder contains a selection of these. The subject obviously touches a raw nerve with a number of people, and there are two particularly recurrent themes. One is that the housing situation is impossible, either because of mortgage/removal costs and relativities, or because of a thoroughly negative attitude from the public housing authorities. The second complaint concerned the MSC's handling of such mobility assistance as is available under existing arrangements. There are some signs that MSC offices could do much more to inform and advise people about the time limitations and other qualifications which have to be met when people consider applying for assistance.

Would you like me to send some of these letters to Mr. Prior's office, with a request that they respond to the individual complaints about the quality of advice from MSC offices, and ensure that the MSC instructs its offices to be as constructive and informative as possible in this field?

Yes - these are not  
done & need to be  
considered which  
makes it all clear.

MA

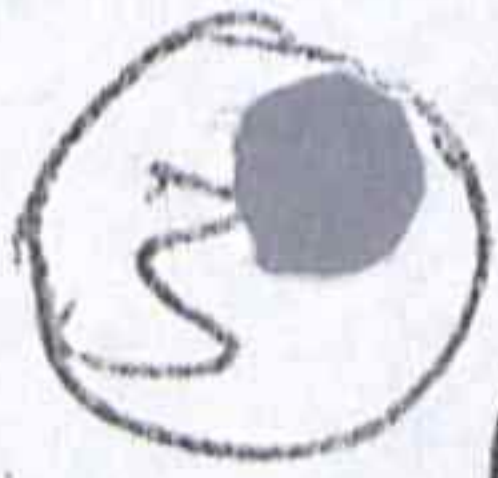
1 August 1980

phone  
01-212 8001

DEPARTMENT OF THE  
ENVIRONMENT  
2 MARSHAM STREET  
SW1P 3EB



*With the Compliments of the  
Private Secretary to the Secretary of  
State for the Environment*



Secretary of State for Industry

RECEIVED IN  
7 JUL 1980  
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DEPARTMENT OF INDUSTRY  
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123 VICTORIA STREET  
LONDON SW1E 6RB  
TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

*Mansour*

7 July 1980

The Rt Hon Michael Heseltine MP

*SJS to see  
Add pl Mr. Sumner  
cc PS/As Stanley  
Mr Breatley*

*Dear Michael.*

In my letter of 15 May to Geoffrey which I copied to you, I suggested that MISC 14 might do more work on labour mobility and housing policy. I confess that I have not followed exactly where you have reached on housing policy, but is there any scope for considering:

- a) increasing the degree to which council tenants are free to sub-let at market prices, keeping any profit income?
- b) increasing still further their freedom to take lodgers without penalty? - This may already be complete.
- c) converting local authority tenancies into 3, 5 or 7-year tenancies which would subject local authority housing to a market?
- d) increased opportunities for mobile homes where there are labour shortages - though I realise the limits imposed by water, sewerage, roads, schools and health facilities?

I raise these questions, not because I think that they offer easy scope, but simply because I think that the subject of labour mobility is so crucial.

I am copying this letter to members of MISC 14.

*Ever,*

*Kevin*