

Prime Minister

THE RIGHT TO BUY

1. You have seen Michael Heseltine's letter to Francis Pym, dated 16th November and the reply from Francis, dated 20th November.
2. Nevertheless, I attach copies of both letters.
3. The purpose of this note is just to say that I do hope very much that time will be found for this short but most important Bill which would confer the right to buy on another 120,000 tenants.
4. We will meet, alas, with the usual opposition from the Business Managers; but it is quite wrong that these tenants should be denied the right to buy. Politically, the right to buy is of vital importance to the Party and has the most far reaching and desirable social consequences.
5. Some of us would be prepared to shorten our holidays so that this Bill can reach the Statute Book in this Session of Parliament.

mt.

25.11.81



IAN GOW



uncontrolled - Reminded by
 Reference to
 relation of
 Mr. MacIndoe
 Mr. Ennals
 Mr. Dwyer
 Mr. Ridd
 Mr. Pickup
 Mr. Stamp
 Mr. Corner
 Mr. Watson

2 MARSHAM STREET
 LONDON SW1P 3EB

My ref:

Your ref:

10 November 1981

De Francis

LEGISLATIVE PROGRAMME 1981-82: EXTENSION OF TENANTS' RIGHT TO BUY

The minutes of the Cabinet discussion of the legislative programme (C(81)32nd) record that although our proposals for the Housing and Building Control Bill (other than unified housing benefit) would not be announced in the Queen's speech, at least some of them could be introduced as a separate measure later if the Parliamentary timetable permits.

I believe it is essential to proceed with a further Bill in this Session, but confined strictly to right to buy matters to achieve maximum progress. This is the last Session of this Parliament when we can be confident that tenants benefitting from an extension of the right to buy will be successful in completing their purchases before the end of the Parliament. If left to the 1982-83 Session, a Bill may well not be enacted until the summer of 1983, by when I fear that many Labour authorities will be playing for time.

I therefore propose that we introduce a short Bill making two significant extensions of the right to buy:-

- i. extension of the right to buy to tenants whose landlord does not own the freehold. Some 40-50,000 tenants are affected in England; sheer lack of time prevented us from dealing with the point in the Housing Act 1980. There are concentrations of leasehold council property in Bolton, Newcastle, Birmingham and the Dulwich area of South London, and we are coming under very great and justifiable pressure from colleagues in the Parliamentary Party and in local government (as well as from the tenants) to deliver the right to buy to them;
- ii. extension of the right to buy to tenants of charitable housing associations who are living in dwellings wholly or largely funded with public money and indistinguishable from other housing association dwellings where the tenants have the right to buy already. This is the only important group of local authority and housing association tenants (other than those in leasehold dwellings) who do not have

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the right to buy because of the elderly persons' or disabled persons' exclusion, we estimate that a further 70-80,000 would be brought within the scope of the right to buy. Extending the right in this way would produce a financial benefit to the public sector from the repayment of housing association grant. Charitable funds would be protected by abating the recovery of grant where necessary. The Solicitor General has agreed this proposal.

In addition, I should like to make two smaller amendments to the 1980 Act: first, to prevent landlords from depriving tenants of the right to buy by insisting that exchanges take place by mutual assignment (we have already announced our intention to stop this practice); and secondly, to ensure that in the event of intervention where a local authority has failed to discharge its responsibilities under the Act, I can exercise various discretionary powers with regard to sales, without being bound by the previous policy of the authority. This last amendment would be of considerable help if I have to intervene, as well as a deterrent to councils against risking intervention. 4

These proposals all have policy clearance from H Committee, subject, on (ii) above, to the agreement of the Solicitor General and the Secretary of State for Wales, which I have obtained. They could be embodied in a short Bill of about ten clauses, seven of which are already in draft.

We have under consideration a few other small amendments to the existing right to buy provisions to overcome difficulties that tenants have encountered in certain authorities. These would not add greatly to the Bill's length, and (subject to policy clearance from H Committee) I should like to include them. We are consulting Parliamentary Counsel and the House authorities on how the Bill could be restricted as tightly as possible to a limited number of right to buy topics.

I should like to press on as quickly as possible with the preparation of a short Bill on these lines, in consultation with the Secretary of State for Wales. I should therefore be grateful for your agreement that Parliamentary Counsel should continue with drafting. I should welcome your views on whether an introduction shortly after Christmas may be possible.

I am copying this to the Prime Minister; the Chief Whip; the Solicitor General; to other members of Legislation Committee; and to Sir Robert Armstrong and George Engle.

Yours
MHE

MICHAEL HESELTINE

C O N F I D E N T I A L



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

RECEIVED IN
20 NOV 1981
PRIVATE OFFICE

20 November 1981

Dear Michael,

s. J. S. H. ...
Advise Mr Sharp
P/S Mr Stanley Mr. ...
P/S G. Young
P/S N. Harrop

Thank you for your letter of 16 November, in which you asked for drafting authority for a Bill extending the right to buy, to be introduced shortly after Christmas.

As you say, Cabinet on 24 September recognised that dropping from the Queen's Speech the references to housing policy (other than unified housing benefit) would not necessarily prevent some of the provisions which you originally proposed being introduced in a separate measure later "if the Parliamentary timetable permitted". However, I believe that we are at much too early a stage in the Session to judge whether it would be sensible to make additions to the programme agreed by colleagues. Our plans for the period up to Christmas have of course been disrupted as a result of the problems your own Local Government Finance Bill has encountered, and the timing of several other major Bills, including Canada, remains uncertain. For the moment, therefore, I would not be prepared to go further than to note your proposed Bill as one of the candidates for any time which may become available.

I would not object to Parliamentary Counsel making use of any gaps in their programme to begin the work on further drafting which you mentioned, provided that this work does not in any way interfere with the preparation of the bills already in the programme.

I am copying this letter to the recipients of yours.

[Handwritten signature]

[Handwritten signature]

FRANCIS PYM

The Rt Hon Michael Heseltine MP
Secretary of State for the
Environment
2 Marsham Street
London SW1P 3EB

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