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Prime Minister
I understand that you
have agreed that the
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Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

PUBLIC EXPENDITURE ANNOUNCEMENTS - SOCIAL SECURITY
AND HOUSING

When Cabinet reached its decisions on public spending, it was agreed that where it was necessary for an individual Minister to announce a decision, he should clear the text and timing with us. You asked me to have some further discussion with the Ministers mainly concerned.

2. I have seen Michael Heseltine's minute to you of 8th February. I recognise that so far as the housing programme is concerned there are strong operational reasons for announcing the housing capital allocations and supplementary rent guideline for 1980-81 straight away. I agree that these should be brought out in a public announcement, emphasising the positive points in our housing policy, rather than simply being communicated to housing authorities and allowed to leak out (as it inevitably would). I see no objection to the date of 15th February proposed, but would be glad to see the text in time to comment.

3. I understand that the intention is to issue the capital allocations in cash terms, as usual. This will mean using the 'cash limit' factors for conversion to 1980-81 out-turn prices which Cabinet agreed on 13th December. As you know, Cabinet will be looking at the volume squeeze implied by the agreed cash limit factors

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when we have the latest economic forecast. As of now, however, the factors agreed in December stand, and the housing allocations should, of course, be presented as firm rather than provisional.

4. You have asked about the time table of the current Social Security Bill and whether the powers necessary to implement the decisions on the Social Security programme could not be taken in the Finance Bill (your Private Secretary's letter of 8th February). You have also asked whether powers to implement decisions on public sector pensions and benefits to strikers might not also be taken in the Finance Bill. These are all being examined and minutes answering these points will be coming forward in the near future.

5. I am sending copies of this minute to Cabinet colleagues, the Chief Whip and to Sir Robert Armstrong.

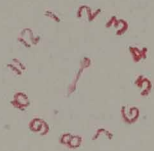
A handwritten signature in dark ink, appearing to be 'G.H.' with a flourish.

(G.H.)

13 February 1980

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