

CONFIDENTIAL

Prime Minister

This minute explains why Mr Heseltine feels that we cannot amend or repeal the Housing (Homeless Persons) Act and why tightening the legislation administratively is, in his view, the better way forward.



Prime Minister

REVIEW OF THE HOUSING (HOMELESS PERSONS) ACT 1977 AND THE CODE OF GUIDANCE

26 February 1982
Content that Mr Heseltine should proceed as he suggests? WJ
26/2

I understand that you felt that we could have produced a more far-reaching outcome to our review of the Housing (Homeless Persons) Act 1977. My initial reaction was exactly the same. I would like to explain why I concluded that the tightening of the legislation by administrative rather than legislative means was the best way forward.

There are two basic ways of dealing with the housing problems of those who find themselves literally without accommodation, and who Governments throughout the post-war period have accepted cannot be ignored. One can either issue general guidance to local authorities and leave it to their discretion as to how they exercise it. That was the position that existed until the 1977 Act, and was the policy embodied in successive circulars up to and including Circular 18/74 issued by the last Conservative Government, which transferred responsibility to housing authorities but still made it essentially discretionary. Or one can establish a mandatory scheme under which certain categories of homeless people have to be rehoused by law ahead of other people on the waiting list. That was the ambition crossed by the 1977 Act, which of course we did not vote against in opposition.

There is no half-way house or compromise position between the discretionary and mandatory systems I have outlined. This left us with 3 alternative outcomes of the review:

- Option 1 - Keep the mandatory legislation unaltered and tighten it administratively;
- Option 2 - Retain the mandatory system, but amend the legislation to deal with alleged abuses;
- Option 3 - Repeal the legislation and go back to a discretionary system.

The more we went into it - and we have studied it exhaustively - the more it became clear that Option 2 was not a genuine option at all. The various amendments proposed to deal with abuses effectively fell into 2 main categories. The first would have had the effect of denying rights under the Homeless Persons Act to those who had recently entered the country as immigrants, but these amendments were directly in conflict with the Treaty of Rome and/or the Race Relations Act. The second category of amendments represented an emasculation of the mandatory system and a reversion in many respects to a discretionary system. I am quite certain that there are no simple and practical amendments of the 1977 Act that can be made without effectively emasculating the Act. Option 2 had therefore to be discarded.

We were therefore left with Options 1 and 3. I came down against Option 3 (repeal) on the following grounds:

- a. it would involve intensely controversial primary legislation;
- b. it would be a gift to our opponents who want to misrepresent the Government as uncaring etc;

- c. it would seriously damage the excellent case we can already make for having looked after the least well-off - for example John Stanley's hostel initiative, the Tenants' Charter, the extension of rent rebates to low-income people like sharers, and the extension of improvement grants to the less well off;
- d. it would bring out against the Government not only every other political party but also the media and church leaders of all denominations.

I concluded therefore that in present circumstances, the only practical course was Option 1 which avoids the need for highly controversial legislation but enables some tightening to take place.

Finally, I think we want to be very clear about the nature of the alleged abuses. It is easy to assume that abuses are all the fault of the legislation. They are not. The fact is that the 1977 Act is minimalist legislation. The crucial point is how authorities actually operate it, which means in practice how the officers of the Council operate it. We need to bear in mind that under the 1977 Act:

- a. there is no requirement to rehouse permanently if homelessness is intentional - and it is the individual that has to initiate any court proceedings to challenge a Council's decision;
- b. there is no requirement to house someone who enters this country without having made adequate provision for their accommodation - as the Courts have now established;
- c. there is no requirement to house people unless they are in the priority categories - basically those with children;
- d. there is no requirement to provide actual council housing even for those in the priority categories; and
- e. there is no requirement to house someone whose local connection is with another authority.

The best perspective I can put on the issue of abuses is the case of Hillingdon. No authority has been more outspoken about abuses - they have claimed that they are the housing authority of the world. I attach as an Annex the statistics for rehousing under the 1977 Act by all the London Boroughs in the last 12 months for which statistics are available. You will see that Hillingdon is two thirds down the list in numbers of homeless rehoused.

John Stanley and I will be glad to discuss these issues further if that would be helpful.

I am copying this to Nicholas Edwards.

WMS

MH

TABLE A : HOMELESS HOUSEHOLDS ACCEPTED : LOCAL AUTHORITIES IN ENGLAND

COUNTY / DISTRICT	ACCEPTANCES 1980		1971 CENSUS HOUSEHOLDS (IN 000's)	ACCEPTANCES PER THOUSAND HOUSEHOLDS		NO. IN BED & BREAKFAST AT END OF MONTH		NO. IN HOSTEL ACCOMMODATION AT END OF MONTH	
	First Half	Second Half		First Half	Second Half	JUN	DEC	JUN	DEC
CITY	25	56	1	#	#	-	..	-	..
CAMDEN	642	365	82	7.8	4.5	84	68	180	191
GREENWICH	236	208	74	3.2	2.8	-	-	5	21
HACKNEY	471	384	80	5.9	4.8	195	139	96	36
HAMMERSMITH	570	382	74	7.7	5.2	135	145	13	50
ISLINGTON	441	385	77	5.7	5.0	32	63	22	28
KENSINGTON & CHELSEA	260	206	78	3.3	2.6	60	9	72	44
LAMBETH	500 ¹	349	112	4.5	3.1	93	-	183	212
LEWISHAM	421	453	94	4.5	4.8	-	-	73	51
SOUTHWARK	369	..	93	4.0	..	-	-	48	52
TOWER HAMLETS	179	155	58	3.1	2.7	31	51	17	17
WANDSWORTH	640	441	110	5.8	4.0	154	25	74	61
WESTMINSTER	93	125	..	6	..
INNER LONDON TOTAL	4754	3384	1026	5.1	4.0	909	500	789	763
BARKING	110	91	55	2.0	1.7	-	-	13	17
BARNET	61	70	106	0.6	0.7	4	-	42	40
BEXLEY	92	74	74	1.2	1.0	..	11	..	-
BRENT	526	625	98	5.4	6.4	218	194	36	35
BROMLEY	107	149	105	1.0	1.4	-	-	50	51
CROYDON	260	236	113	2.3	2.1	-	-	68	79
EALING	350	414	105	3.3	3.9	34	59	77	94
ENFIELD	170	142	94	1.8	1.5	1	-	25	26
HARINGEY	261	482	87	3.0	5.5	23	4	31	25
HARROW	89	128	70	1.3	1.8	14	10	36	5
HAVERING	84	92	81	1.0	1.1	-	-	23	31
HILLINGDON	140	166	78	1.8	2.1	..	43	..	27
HOUNSLOW	171	143	72	2.4	2.0	84	42	-	25
KINGSTON-UPON-THAMES	85	110	51	1.7	2.2	38	33	-	-
MERTON	108	120	64	1.7	1.9	-	-	7	7
NEWHAM	341	265	81	4.2	3.3	6	2	6	-
REDBRIDGE	166	154	83	2.0	1.9	-	-	31	34
RICHMOND-UPON-THAMES	102	110	66	1.5	1.7	-	-	-	1
SUTTON	71	100	59	1.2	1.7	14	12	30	42
WALTHAM FOREST	251	261	84	3.0	3.1	-	-	21	19
OUTER LONDON TOTAL	3545	3932	1626	2.2	2.4	436	410	496	558
LONDON	8299	7316	2652	3.2	2.9	1345	910	1285	1321

Notes: # indicates that figures are too small for the ratio to be meaningful.

1 represents an estimate based on results for part of the period.

County totals do not include estimates for non-respondents - see paragraph 4 of NOTES ON TABLES.

26 FEB 1992

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0 1 2 3
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BF 19/2



Plassey

10 DOWNING STREET

Note for the file

I have passed on the Prime Minister's comment to David Edmonds, and have agreed with him

(a) that his Secretary of State will let the Prime Minister have a short note setting out why this memorandum "runs away from the problems it identifies"; and

(b) we will then consider whether a meeting between Mr Herdingle and the Prime Minister is necessary.

WM
6/2



WR 19/3 *Spinning*

SCOTTISH OFFICE
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COPY TO
PS/SDD
PS/Mr Rifkind
PS/US of S
Mr D A Campbell, SDD

The Rt Hon Michael Heseltine MP
Department of the Environment
2 Marsham Street
LONDON
SW1P 3EB

19 March 1982

Dear Michael,

I am writing to let you know that I see no difficulty from my point of view in the conclusions and recommendations of the review of the operation of the Housing (Homeless Persons) Act 1977 in England and Wales, about which you wrote to Willie Whitelaw on 8 February. In particular I share the conclusion that legislative change is not required; for the rest the recommendations are compatible with the guidance which I issued to Scottish local authorities about 18 months ago.

I should be grateful, however, if the terms of the announcement of the outcome of the review covering England and Wales could be circulated in advance to my officials; it will be desirable that it leaves no impression, by omission or otherwise, that the position in Scotland is other than also satisfactory.

I am sending a copy of this letter to the Prime Minister, Nicholas Edwards and Sir Robert Armstrong.

*Yours ever,
George*



Secretary of State

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Northern Ireland Office
Stormont Castle
Belfast BT4 3ST

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

5th March 1982

Dear Michael

Thank you for the copies of your letter and enclosures to Willie Whitelaw on the Review of the Housing (Homeless Persons) Act 1977 and the associated Code of Guidance.

The 1977 Act does not apply to Northern Ireland - we have our own legislation. Responsibility for housing homeless persons in Northern Ireland rests with four Health and Social Services Area Boards and with the Northern Ireland Housing Executive which is the Province's sole housing authority. Within this structure few practical difficulties are encountered and there is little pressure for legislation equivalent to the 1977 Act.

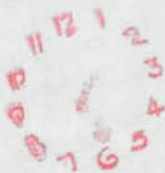
I note that the Review largely deals with issues, such as those in relation to local authorities, that do not arise in Northern Ireland. But the Area Boards and the Executive are working on a Code of Practice for Northern Ireland and my officials will continue to keep closely in touch with developments following the Review.

In view of this I have no objection to the conclusions and recommendations of the review.

I am sending copies of this letter to Willie Whitelaw and to the other recipients of yours.

Yours
Michael Heseltine

8 MAR 1962





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10 DOWNING STREET

From the Private Secretary

2 March 1982

REVIEW OF THE HOUSING (HOMELESS PERSONS) ACT 1977 AND THE CODE OF
GUIDANCE

The Prime Minister has seen your Secretary of State's minute of 26 February, explaining why he feels that legislative amendment to this Act is not an option at this stage. In the light of his minute, the Prime Minister is content for him to announce in the House the conclusions of his review of the Act which are set out in his letter to the Home Secretary of 8 February.

I am sending copies of this letter to John Craig (Welsh Office) and David Wright (Cabinet Office).

W. F. S. RICKETT

David Edmonds, Esq.,
Department of the Environment.

SW



10 DOWNING STREET

PRIME MINISTER

Are you content for Mr. Heseltine to announce in the House the conclusions of his review of the Housing (Homeless Persons) Act (at Flag A) now that he has explained why he feels legislative change is not an option (his minute below)? Or would you like a word with him and John Stanley?

Yes - but still think it is very dillydallying
Duty Co-ordinator
Duty Clerk
PP w.FSR

1 March 1982