



VC2ABQ

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

REVIEW OF HOUSING POLICY

The Prime Minister was grateful for your minute of 23 November containing proposals for the way in which the review of housing policy might be carried out.

The Prime Minister is inclined to approach this question on a less formal basis than that proposed in your minute. She does not think that a special MISC group or unit is needed at present. She would prefer that there was an informal arrangement under which the housing departments, DHSS, the Policy Unit and the Office of the Minister without Portfolio should get together to determine the main lines of policy. The Treasury would no doubt also wish to be involved at this stage.

FRLB

26 November 1984

Prime Minister



I don't think we need a special MISC group. We need DoE. I'll do it.

If you would indicate your initial reactions at the points I have sidelined, this will guide Sir Robert in discussing with Permanent Secretaries.

Ref. A084/3121

PRIME MINISTER

I suggest that you ask him to report back, following those discussions, with proposals which you can discuss with Mr. Jenkin, Mr. Edwards and Mr. Younger if necessary. Agree?

Young - r. Don't
Policy Unit - no more units we have to do the main division decided out

Review of Housing Policy

see FERR note

FERR

23.11

You undertook at Cabinet on 8 November to give thought to how a review of housing policy might best be arranged. I suggest that some new Ministerial and official machinery will be needed.

2. The main burden of work of such a review will need a strong and effective official effort. The Department of the Environment will not welcome a suggestion that the work should be undertaken elsewhere; but they are so heavily burdened, and the task is so important, that I should like to suggest the setting up of a small special unit to take charge of it. We thought that Sir Anthony Rawlinson might be asked to lead such a unit, with two or three people in support. The unit could be located in the Department of the Environment; but I should prefer to see it in the Cabinet Office (like the former Information Technology Unit).

3. The unit would clearly need to draw heavily on the information and experience of other departments, and especially the housing departments and the Treasury. This could best be left to ad hoc contacts. But it could well be helpful for the unit's work to be overseen by a steering committee of Ministers, to ensure the necessary political direction and input.

4. For this purpose I should recommend setting up a new MISC Group, chaired by a senior Minister not directly concerned with housing policy. It would have general terms of reference along the lines "To review Government policy on housing in Great Britain". Unless you particularly wanted to chair this yourself, the most obvious candidate for Chairman would be the Lord President of the Council. An alternative would be to ask the Home Secretary, who has displayed an interest in this subject, to take on this task if he can find the time.



5. I suggest that the other members of the Group should be:

Home Secretary (if not Chairman)
 Secretary of State for Scotland
 Secretary of State for Wales
 Secretary of State for the Environment
 Secretary of State for Social Services
 Secretary of State for Employment
 Chief Secretary, Treasury
 Minister without Portfolio
 Minister for Housing and Construction

These are the Ministers primarily concerned. Other non-departmental Ministers could be added to this list, although there would be advantages in keeping the Group, which would have 9-10 members on the basis proposed above, reasonably small.

6. As regards timing, I suggest that the review should get under way early in the New Year, with the aim of completing its work before the Summer Recess. This would allow its recommendations to be available in time for the 1985 Public Expenditure Survey (PES) Ministerial discussions. It will be important to get an understanding at an early stage of the ground which the review is to cover. Once you have reached a view on the general arrangements set out in this minute, I will discuss the detail with the Permanent Secretaries in the Departments mainly concerned. I would envisage the first task of the official machinery as being to make proposals about the scope of the review for the consideration of the Ministerial Group.

7. There are two potentially awkward areas in defining the review's scope. The first is the interface with the Rowe Review of Housing Benefit, one of the social security reviews on which I have put separate proposals to you. It is inevitable that there will be some degree of overlap between the housing and the social security Groups



in this area since it will be necessary to consider housing benefit both as a part of housing policy and in the context of the social security system overall. Your Group on social security will need to consider how far they should reach final decisions on housing benefit without waiting for the outcome of the housing policy review. There is no simple way of handling this which I can suggest at this stage, but it should be manageable as the direction of both reviews becomes clearer in the New Year.

8. The second concerns actions which are germane to the review, but are already in progress. The most important of these is the need to issue consultative documents on home improvement grants shortly in order to prepare for legislation in 1985/86 to implement the decisions taken by H Committee in October on a new, better targetted, scheme. I understand that the Department of the Environment has it in mind to canvass in the consultative document the idea, which was mentioned at Cabinet on 8 November, of loans as an alternative to grants for certain types of home improvement. It ought therefore to be possible for the Secretaries of State for the Environment, Scotland and Wales to go ahead with a consultative exercise on home improvement grants on a basis which does not preempt the conclusions of the housing policy review.

ROBERT ARMSTRONG

23 November 1984

Cabinet Com. Structure : CABINET R/R



COMMISSIONER