

Alton R7 STEPHEN

Conservative Research Department

32 Smith Square Westminster SW1P 3HH Telephone 01-222 9511

Director: ROBIN HARRIS

RH/CR

need meet with
RH, RS, PP.

3rd February 1987

Der Synt,

DECISIONS AT CHEQUERS: 1st FEBRUARY

... I attach a note of the decisions which I believe were made at our Meeting at Chequers. I would be grateful if you and Brian Griffiths could let me know what changes you believe you should be made to this and what you want done with it. I can come over to Number Ten to discuss it if you want.

I am copying this letter to Brian Griffiths.

Robin Harris

ROBIN HARRIS

Stephen Sherbourne Esq
Political Secretary
10 Downing Street
LONDON SW1

Anada

File - Markets Admin

NOTE OF A MEETING ON SUNDAY 1st FEBRUARY AT CHEQUERS

Present: Prime Minister
Chancellor of the Exchequer
Party Chairman
Secretary of State for the Environment
Professor Griffiths
Mr Sherbourne
Mr Harris

POLICY WORK FOR THE MANIFESTO

The Paper from Policy Unit and the Research Department was discussed and the following decisions were taken [set out in the order of the original paper].

Action

R
1. Our Five Major Tasks

JSM, Saha
BG
These would be re-written to make them bolder and more exciting.

2. Building on Success

R
J.O'S.
These too would be re-written. Themes to stress were: forward to the next millenium; the next steps forward; the dependent vs. the independent society; opportunity and security.

BG/RH

3. A Strong Economy and Job Creation

It was agreed that the reduction and eventual elimination of inflation should figure as a prime objective.

It was agreed that the reduction of the basic rate of tax to 25 pence should be included.

The reduction of the top rate of income tax to 50 pence would not be in the Manifesto: but a passage might be included referring to 'not being out of step with our main industrial competitors and ensuring that good managers came here'.

NL

Budget
The commitment to transferable allowances between husband and wife would not be included: further work was required.

Action

Tax incentives for long-term industrial investment would not be included.

Budget

Further consideration was required of profit-related pay.

Wider share ownership was a theme to be stressed but not necessarily advancing new policies.

Further work was required on the candidates for privatisation. It was noted that papers on some were already in existence. It was agreed that candidates would have to be named in the Manifesto. These were likely to be: all or parts of coal, electricity, steel, water [but not waterways], the PSA [but not the landlord function] and possibly British Rail.

*answer
Darts
BG refer*

Revitalisation of the private rented sector must be included in the Manifesto: see below, chapter 4.

No further work for new policies was required on: flexible retirement; portable pensions; regional pay bargaining; Regional Development Agencies; 'twinning' between areas of over and under employment [which was essentially voluntary].

Further work was required on trade union reforms for the forthcoming green paper: this would have to look at the issue of strikes in essential services.

*Page from the
BG*

Further work was required to spell out which were the 'pledged' and 'unpledged' benefits: we would probably have to repeat the same pledges as in 1983. The Questions of Policy Committee must examine this.

*on
appears
work*

RH

Could the earnings rule be dropped or doubled this time?

BG

SS

No further work was required on proposals for a Small Businesses Act and new tendering arrangements.

There would have to be proposals for licencing law reform and for Sunday trading: the Home Secretary must be asked to come forward with proposals.

SS/DH

Action

No further work was required on aid and trade.

4. Strengthening the Family

No proposals for the Manifesto need be included on: flexibility in employment (career breaks etc); child support enforcement (though the proposal had merits); encouraging sheltered accommodation etc for the elderly.

Further work was required from the Lord Chancellor's Department on joint council tenancies.

BG

SS Lord Chancellor's Dept
Proposals on Family Courts should be included in the Manifesto.

RH

Warnock and abortion should be covered in Questions of Policy.

SS/DH

Issues relating to broadcasting, including the extension of obscenity legislation and the effects of cable, should be covered in a paper to be sought from the Home Secretary.

*Blueprint
paper from
re Review
done by
Feb 25.*

Education was recognised as a key area for new proposals in the Manifesto. These should cover: the core curriculum; financial autonomy for schools; graded tests or bench marks; a new funding system (per capital allocation to schools from LEA or revenue and direct capital funding from DES); schools and LEAs being given power to apply for Direct Grant status (village schools too); open enrol more powers for Head Teachers. It was decided that there was no need to include the proposal in the Manifesto on: staff colleges for heads; strengthening and giving wider powers to HMI (especially over finance and administration); any review of discipline.

KB/BG

It was important not to eliminate the possibility of charging for the under-fives. Further work was needed on all these proposals.

It was decided not to combine the functions of the MSC with the DES, nor to promise to increase the APR (in higher education).

Action

Polytechnics should be removed from LEA control.

BG

Further work was required on the issue of 'higher education entitlement'.

RH

Student Loans - which were under consideration in Mr Walden's review - should be covered, not in the Manifesto, but rather in Questions of Policy.

No new proposals were needed to ease house purchase.

Meat to take place

Deregulation of the private rented sector must be included as a Manifesto proposal. So must the transfer of public sector housing out of the control of local authorities into housing trusts/housing associations and private ownership. Further work was also required on the reform of housing benefit along the lines suggested by Mr Ridley in his papers and his policy group's report. Papers on each of these three issues should be brought forward by Mr Ridley, in consultation with Professor Griffiths, for consideration by E(A). As regards proposals for the public sector, it was important that these should be very carefully presented.

NR/BG

NHS Policy Group

In discussion of policy for the Health Service, it was agreed that the approach of bringing down waiting lists by ensuring that money moved with the patient should be at the root of further reform. It was also argued that we should promise in the Manifesto that before any major change in financing the Health Service there would be a major enquiry possibly a Royal Commission. It was also agreed that the NHS was a touch stone for commitment to the welfare state and that not even the Labour Party was able now to deny that the NHS had more resources and was treating more patients than under them.

BG

Action

5. Security at Home

The Manifesto would not include proposals on Home Security Grants; more concierges; broadcasting on crime. Including Crime Prevention requirements within building regulations was already under way. More work on crime prevention was required.

DH/BG

The Manifesto should include a commitment to expand the Special Constabulary; and a commitment not to put policing under the control of the London Boroughs. No proposals would be included relating to other policing issues raised in the Inner Cities Policy Group Report.

DH/BG

There would be no proposals on uncorroborated evidence by children; police rights of search; rape by minors; or outlawing catapults.

Of the Policy Group proposals on prisons and sentencing: the proposals for the attachment of fines to benefits and the use of very short prison sentences (which was in any case existing policy) might be included, subject to further work being done.

DH/BG

There would be no special commitment to more funding for treatment of drug addiction.

There should be a commitment to establish a clearer line between sentences handed out for crimes of violence and those for non-violent crimes - as proposed in Oliver Letwin's paper.

DH/BG

6. The Quality of Life

The Manifesto should include proposals for cashless UDCs exercising housing powers: it was noted that this might need legislation and would need further work.

NR

It was agreed that either the DOE or the Department of Employment should be in charge of strategy for inner cities.

Action

The proposal for tax breaks and Community Trusts should not be included.

NR

More work was required on making Section 11 and Urban Programme Grants less dependent on Local Authorities.

Proposals for the use of local suppliers and labour in inner cities by Government would not be included. (It was already possible to achieve similar objectives through use of the Community Programme).

JM

The Section in the Manifesto on transport should stress our achievements: Mr Moore would be asked to put forward any new proposals.

NR

It was agreed that the proposals being considered in 'ALURE' should be supplemented by a paper from Mr Ridley on the wider question of the rural economy.

NR/BG

HBK
do
me.
Three policy papers on conservation, energy pollution issues and other pollution were submitted by Mr Ridley containing possible proposals for the Manifesto.

It was agreed that the Manifesto must restate our commitment to stringent planning controls in the Green Belt.

7. Policies for Peace

None of the proposals in the Policy Group Report should be included.

8. A Better Future

None of the Policy Group proposals listed under this heading merited inclusion in the Manifesto.

Action

9. Other Points Raised

NL

It was agreed that the Manifesto should stress what we had done for Charities in successive Budgets.

PM/SS

It was decided that the Prime Minister would write to members of Cabinet asking them to bring forward proposals requiring policy approval for the next Parliament. On the Special Advisers' network the Prime Minister would write to Cabinet colleagues asking for draft sections for the Manifesto itself.

NT

The Prime Minister asked the Chairman to consider whether, in the event of an October Election, a special Conservative Conference of some kind could be held in September.

RH/CR

3.2.87

Paper to be commenced

1. Learning Rule — Treaty

2. Family Gains — Ltd. cl.

3. Status in essential areas: — paper focusing on
K.C. to the - class.

4. DH position from Sr. pp. - discuss
NW.

5. NHS policy from report needed.

~~6. Partnership~~

6. Cases v. re exercising taxing power
(S.C. to the Board of Directors).

7. Section 11 & Uninc. Corp. from (B.S.)

Conservative Research Department

32 Smith Square Westminster SW1P 3HH Telephone 01-222 9511

Director: ROBIN HARRIS

PERSONAL & CONFIDENTIAL

PRIME MINISTER

OLIVER LETWIN'S PAPER: SENTENCING

... We discussed Oliver Letwin's paper at yesterday's Meeting:
I attach a copy. I am also sending copies to those
present yesterday.

You will recall that you asked for further study of part I
of his paper - and rejected the proposal for caretakers/
concierges.



ROBIN HARRIS

RH/CR
2/2/87

PRIME MINISTER

Home Affairs and Inner City Policy Group

You asked about what could be salvaged from the Home Affairs Group Report.

I assume that the Policy Unit and others will be offering a point-by-point commentary on the details of the Report. It may be helpful if I mention two particular items, only brushed over in the Report, which could repay serious consideration:

1. Sentencing Policy

The present scheme of maximum sentences is amazing. It makes hardly any distinction between violent and non-violent crime:

<u>Crime</u>	<u>Maximum Sentence</u>
(Non-violent) Burglary	14 years
(Non-violent) Theft	10 years
Indecent Assault	10 years
Assault occasioning actual bodily harm	5 years
Cruelty to children	2 years

If these figures were read out at any Conservative Association, they would cause something very close to a riot.

The Home Office will claim that the maximum sentences are no guide to what actually happens. When they said this during the Group meetings, I challenged them to produce the figures. These too, are amazing:

<u>Crime</u>	<u>Average Sentence</u>
Wounding with intent to do grievous bodily harm	about 3 years
(Non-violent) Burglary 'in a dwelling'	about 1.5 years
(Non-violent) Burglary 'in a building other than a dwelling'	over 1 year
Wounding (of an ordinary sort)	under 1 year

Roughly the same percentage of people convicted of burglary and of serious wounding (73% vs 82%) receive custodial sentences.

Something clearly needs to be done about this mess. The public undoubtedly wants a clear distinction between violent and non-violent crime: action to achieve such a distinction might well contribute significantly to our winning the election.

In places like Hackney - and there are increasing numbers of such places - it is the violence that really does the damage. It terrifies the old, and drives out the respectable couples who do not want to bring up their children in danger. Non-violent crime is a much less serious problem. A clear differentiation between the two kinds of crime might have considerable effects on the nature of these places.

Four possible solutions were (very briefly and inadequately) discussed at the Group's meetings:

1. minimum sentences for violence (which the Home Office hate, but which seem perfectly reasonable to me);
2. abolition (or restriction) of parole for violent offenders (which the prison experts were against, because of the effect on prisoner behaviour);
3. a new schedule of maximum sentences, with much sharper differentiations (which is the easiest option, but which might not have as much effect as (1) or (2) in practice);
4. new guidelines for judges (about which the Home Office were quietly despairing);

I recommend strongly that you should at least change the schedule of maximum sentences, and - if at all possible -

institute a minimum sentence for violence.

2. Council Blocks - Caretakers

The big issue on council blocks is, obviously, whether they remain in council hands or are transferred to private sector agencies. I assume that John Patten's ideas on this all have been fully discussed in the environment group. But there is one, much simpler and more immediate idea that did come up in the course of the Group's discussions: viz. provision of a caretaker for each block.

At present, there is nobody on site to keep a check on these buildings. Council cleaners etc. are meant to come in from time to time - but (in Hackney at least) there is little or no sign of them. As a result, the hallways and stairs are absolutely filthy and vandalised. This has a considerable psychological effect on the inhabitants - as Alice Coleman and others have shown.

If, as in France, there were a caretaker in each block, the combination of cleaner surroundings and of a 'human face', available to protect the inhabitants and the fabric, might do wonders. Such a caretaker could easily be provided from amongst the unemployed at low cost - possibly with wages paid from Community Programme money - and the position could be attractive if a flat on the ground floor were offered with it.

'A caretaker in every council block' is a slogan that might help to win an election - and a practical step which might well make inhabitants more interested in buying (or otherwise taking a stake in) their flats. The caretakers could, of course, remain when the blocks are transferred to the private sector, and might make such transfers slightly easier to achieve.

If you are interested in this idea, I recommend that you should ask David Young and John Patten to get the scheme costed, and worked out. (It should not be left to the Home Office).

Oliver Letwin