

CONFIDENTIAL



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LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

8 May 1987

Brian Griffiths Esq
No 10 Policy Unit
Downing Street
LONDON
SW1

See Dan

I have spoken to Nicholas Ridley about the Manifesto draft you sent. Our major comments are as follows.

1. The passage on HATS needs to be amended again in the light of yesterday's E(LF) discussion. The Prime Minister agreed a text which I read over to your secretary yesterday - I enclose the text I read out to her in case you haven't got it.

2. In the passage on the Community Charge, Nicholas Ridley thinks we ought to commit ourselves to the minimum 20% payment figure, because the Labour Party is saying that it will be higher and our answer is not totally reassuring. He thinks we would anyway have to commit ourselves to 20% during the Campaign. Also the Prime Minister is being asked this weekend to agree to a proposal put up by Nicholas Ridley, Mr Fowler, and Mr MacGregor to uprate benefits for certain categories of people so that they can afford to pay 20% of the average Community Charge. This apparently would cost £330 million per year, but it addresses the most difficult issue I think we have to face in dealing with criticisms of our proposals. So assuming all this is agreed, we suggest a redraft of the second sentence in the main paragraph on the Community Charge as follows (to replace sentence beginning "The less well off" etc.)

"Students and the least well off will only have to pay 20% of the full charge and for some benefits will be uprated to enable them to pay 20% of the average Community Charge"

At the end of that paragraph add "There will be generous transitional arrangements to give businesses time to adjust" (this was agreed at E(LF) the other day).

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Other drafting points

The passage on improvement grants (page 3 of housing) should read "We will target improvement grants to where they are most needed - to the least well off. To meet the special needs of old people, we will ensure that ... etc.

In the section on local government, - second line of last paragraph of page 2 - omit the colon and replace with "including" - (there may be other services to be privatised).

Page 3 - the Widdicombe report: In the last line insert "some of" after "with".

Just a small suggestion - at the end of the local government section replace "families" with "local residents" - local government doesn't just function for families!

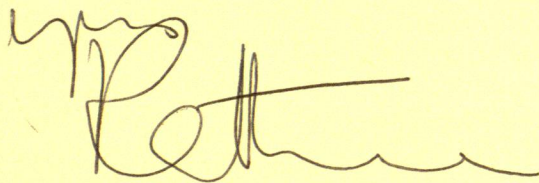
In the section on Planning and Environment: Second line from bottom of page 1 - omit "alone".

Page 2 - I am not sure what the first sentence of the paragraph beginning "We are unshakably determined" means. How about "both inside and outside our Green Belts"?

In the next paragraph, I think you ought to be aware that where we claim that in 1986 nearly half of all new houses were built on reused land", we do not have comparative figures for earlier years (except 1985 when the proportion was the same). We do know that over a number of years the amount of agricultural land being taken for development has been declining, so I think we can just about substantiate it, but in the past officials have advised Ministers not to claim that the 1985 and 1986 figures were better than earlier years.

I suggest a possible redraft of the passage on lead in petrol (bottom of same page); "We have already reduced tax on lead free petrol. We intend to go further and adopt European standards ..." etc.

David Coleman is liaising with Peter Stredder about a possible extra passage on Housing Associations.



KATHARINE RAMSAY
Special Adviser

MESSAGE FROM KATHARINE RAMSEY

The following was approved at E(LF) this afternoon re housing:

HOUSING ACTION TRUSTS

We need to go further to give greater choice to people living in some of the worst areas of local authority housing. The success of Estate Action and the improvements achieved in Housing Improvement Areas and Housing Action Areas demonstrate how a single minded and targeted approach can transform an area of poor housing and give people new hope. Urban Development Councils are proving spectacularly successful in tackling and transforming the environment and prospects for some of our worst areas of urban dereliction by careful targeting of public and private investment. We believe that a similar approach could be adopted for housing *in certain areas* where a local authority has failed its tenants to a major degree. So we will take powers to create Housing Action Trusts - to be established initially on an experimental basis - to take over such housing, renovate it and pass it on to different tenures and ownerships *such as* Housing Associations, tenant co-operatives, owner occupiers or private landlords.



Department of the Environment
2 Marsham Street London SW1P 3EB
Telephone 01-212 7601

Minister for Housing,
Urban Affairs and Construction

Tel: 01 212 6998

PERSONAL AND CONFIDENTIAL

8 May 1987

Professor Brian Griffiths
Policy Unit
10 Downing Street
Westminster
SW1

Dear Brian,

The latest draft of the Manifesto does not include the small but important addition which William Waldegrave was very keen to see in the previous draft. On page 2 of the environment section, at the end of the paragraph "press on with action at the power stations to combat acid rain, completing our £600 million programme" please add the words "and doing more if necessary."

William agreed with Peter Walker that this reference to the possibility of further steps should be made. It is in the paper agreed with William which Peter Walker sent to the Prime Minister on Energy and the Environment. It is also one of the proposals in the original suggested Manifesto draft which was sent to you from this Department. William feels that this point is most important (he is not here to tell you so himself) and I think it would be extremely helpful to make it clear that we were not ruling out further action in this area.

I have discussed a couple of points on housing with Peter Stredder, including a small but important correction, and I attach a copy of the letter which I have sent to him.

Yours sincerely,
DC

DAVID COLEMAN
Special Adviser



Department of the Environment
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PERSONAL AND CONFIDENTIAL

8 May 1987

Peter Stredder Esq
Policy Unit
10 Downing Street
Westminster
SW1

Peter Stredder

I attach a couple of proposed drafting changes on the housing section of the Manifesto, together with a small but important correction.

On page 3, para 6, I spoke further with the official responsible for improvement grants. He felt that there remained a small but potentially useful area of help for the elderly which was not precisely covered by existing powers. Local authorities already have powers to give conventional improvement grants for extensions, enlargements etc. They also have specific powers to help in adapting property for those technically classified as disabled. But this left a grey area, which some local authorities choose to help with but where they need not do so, where various changes and adaptations might need to be made for accommodation for the elderly who had restricted mobility or other difficulties but who are not classified as a registered disabled, and where the alterations might well not fall under the heading of improvements.

These might include widening doors, making changes to the level of handrails, switches etc, installing ramps and other changes. I suggest therefore that the proposal remains in the Manifesto, now that the word "mandatory" has been removed. It is a modest but useful contribution to making life easier for the elderly through housing and it fits in well with the general Government policy of keeping people out of institutions and encouraging their care, as far as it is possible, a home of their own, with their family and in the community at large. It is also one of the few proposals specifically targetted at the elderly in the Manifesto (or at least in this part of it). The change in phrasing which I have suggested is merely to avoid the word "conversion" which has a specific meaning in this context which might be unduly restrictive.



On page 5 housing associations I hope the proposed form of words meets the points you have made about the need to make it clear that new housing association rents would be under a new regime. I would strongly advise against introducing the concept of "assured tenancies" here, even if strictly speaking the new rents do fall under that regime. Such rents have connotations of "market rents" and therefore of being considerably higher than those presently charged by the housing associations. This would cause needless alarm and despondency, given that the intention is to ensure that the new rents are "affordable" through appropriate Government grants. To explain the new proposals adequately would take much more Manifesto space than could be justified.

I did not want the only additional mention of housing associations to be this point about rents, so I have added two other insertions, one to ensure that it is clear that housing association tenants are included in the continuing security of tenure and fair rent regime enjoyed by existing private tenants, and also to make a general endorsement of the importance of housing associations and their role in the future.

I am sorry I have allowed a small but important error to creep into an earlier revision. On page 3, para 1 there is no need to qualify the sentence 'One million council tenants have become home owners ...', Delete ',the majority' so that it simply reads 'One million council tenants have become home owners since 1979, ...'. For your information the precise figures for sales to sitting tenants in Great Britain from April 1979 to December 1986 are 958,000. These include sales to New Town and housing association tenants, so strictly speaking the term should be 'public sector tenants' not 'council tenants'. But in Departmental usage council tenants is taken to include New Town tenants, and there are relatively few housing association tenants in the total. The last quarter figures (to March) are likely to increase the total by 25,000 - 30,000, so by now the figure must be over 990,000 to sitting tenants. But the million is only exceeded if empty dwellings, not sold to sitting tenants, are included.

Yes,
David

DAVID COLEMAN
Special Adviser

SCC:

Professor Galbraith
Mrs Ramsey

BS - two minor points:

page 4 para 4 line 4. Delete 'new' before 'system'

It's not new, it dates from 1980. And we are describing a really new kind of threshold taken in the manifesto. And, on the following line, 'short hold' should be one word.

DM

Page 3

page 1 line 3 delete ',the majority'

para 6 line 5 replace

'conversions needed when the elderly' with 'work to properties needed to enable the elderly to'

Page 5

para 3 delete

'who will still ... to be registered.' Insert 'and existing tenants of housing associations. They will remain under the fair rent system.'

Insert at end of para 4 (or a separate paragraph after it)

'We will continue to help housing associations ^{to} develop their work in providing rented housing, which we want to see expand in new and important ways. New housing association tenants will pay rents at a level which the Government will support, to ensure that they are affordable by those whom the housing associations are intended to help!'



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