



CONFIDENTIAL

2 MARSHAM STREET
LONDON SW1P 3EB

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Rt. Hon. Michael Jopling MP
Government Chief Whip
12 Downing Street
London SW1

My ref:

Your ref:

Prime Minister

15 March 1982

Mr Jopling continues to press for legislation this Session on leasehold tenants right to buy.

As you know, the business managers are already resisting inclusion in next year's programme. M12P16/3

A l l l

Thank you for your letter about our proposed Bill to extend the right to buy to tenants living in leasehold dwellings and to tenants of charitable housing associations whose dwellings have been publicly funded. There are a number of points on which I must disagree with your analysis and your conclusions.

First, I think your constituency analysis somewhat understates the impact of the Bill's provisions. The figure of 6.4% is perfectly correctly the number of right to buy applications as at 30 September expressed as a percentage of the total number of council dwellings in Britain. However, it ignores the fact that the number of applications is going up all the time - it was 480,000 by 31 December; that there is an average of $2\frac{1}{2}$ electors per council dwelling; and that where there has been no previous eligibility to buy, as will be the case on both leasehold and charitable housing association dwellings, the percentage who apply to buy is often higher than the average. Taking the English New Towns for instance, applications to buy have come in in respect of 14% of all tenancies as at June 1979.

Second, the Prime Minister has made it very clear in her Answer to Robert Dunn on 11 February that the Government feels it has a clear commitment to those individual tenants in leasehold dwellings who voted for us at the last Election firmly believing that we would give them the right to buy their homes. On the question of further legislation to cover the leasehold cases the Prime Minister said "Our last legislation did not cover that case. It should be covered. It is our intention to cover it. We have a high priority to do so. I cannot promise my Hon Friend that there will be legislation during this Session of Parliament. However, if not, we shall try in the next Session."

Third, the Bill will provide us with an opportunity further to strengthen its provisions on, for example, service charges, where certain Labour Councils are now trying to deter tenants from buying by threatening them with enormous charges. This could be of great importance in London in particular.

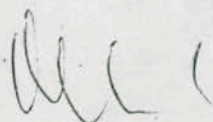
Fourth, the Solicitor-General made it very clear in his letter of 18 November that the Law Officers attach much importance to getting the charitable housing associations 'amnesty' provisions on the statute book, without which I understand the Law Officers and the

Government could find themselves in an invidious position legally vis a vis charitable housing associations. The Solicitor General is writing to you further on this point.

In view of the above I hope very much that we can introduce this Bill this Session, now that the Canada Bill is through. Only in this way do we have a prospect of effectively honouring our commitments to people who could then expect to have bought their homes before the election.

I am copying this letter to the Prime Minister and all Members of QL and to Sir Robert Armstrong.

Yours ever



MICHAEL HESELTINE

16 MAR 1962



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ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

01-405 7641 Extn 3407

18 March 1982

Rt Hon Michael Jopling MP
Government Chief Whip
12 Downing Street SW1

Prime Minister *get the Gov*
MP *19/3*

Dear Michael,

DM

I have seen a copy of Michael Heseltine's letter to you of 15 March about the Housing Bill. I am happy to confirm the fourth point he makes - as I wrote in my letter of 18 November there is a need to legislate to make provision covering existing breaches of trust by charitable housing associations as a result of their letting practices not conforming with the law of charities. You will no doubt have in mind that a Bill covering the points referred to in his letter will only be a short Bill (in the region of 6 clauses and 2 schedules).

I am copying this letter to Michael Heseltine and to the recipients of his letter (and I attach a copy of my letter of 18 November for ease of reference).

Yours ever,
Jan.

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01-405 7641 Extn

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

18 November, 1981

The Rt. Hon. Francis Pym, MC MP,
Lord President of the Council,
Privy Council Office,
Whitehall,
London SW1.

Dear Francis,

LEGISLATIVE PROGRAMME 1981-82: EXTENSION OF TENANTS' RIGHT TO BUY

I have seen a copy of Michael Heseltine's letter to you of 16 November.

I have agreed to the proposals for the extension of the right to buy to certain charitable property; (M.H.'s letter sub para ii), upon the understanding that the Bill will contain a clause regularising the position of existing tenants of charitable housing associations who in law are not regarded as being in necessitous circumstances. This clause has the two-fold purpose of preventing the extension of the right to buy being defeated by claims for possession against tenants who seek to exercise the right and of making a start in clearing up the widespread breaches of trust which have been disclosed by our investigations into this extension of the right to buy.

The Attorney General and I have a special interest in that last purpose because unless such a provision is included the Attorney General will be faced with very difficult questions as to how to enforce compliance by the trustees with their charitable trusts.

I understand that Michael Heseltine's proposals outlined in his letter to you include the provisions which he and I have agreed for achieving that purpose and on that basis have to say that such a Bill would be of much assistance to us in dealing with the difficult situation which has emerged, and accordingly I would respectfully urge that a place be found for it in the legislative programme for this Session.

I am copying this letter to the recipients of Michael Heseltine's.

John Peel

8 MAR 1982



12 DOWNING STREET,
S.W.1.

16.3.82.

With

The Private Secretary's

Compliments



Government Chief Whip
12 Downing Street, London SW1

2 March 1982

PRIVATE AND CONFIDENTIAL

You have made it very clear, over a number of months, that you feel your Bill to extend the right-to-buy for Council House tenants, is a matter of great political urgency.

I have not been aware of this urgency, except from yourself. Therefore I have undertaken an enquiry into it.

I. THE EXTENSION OF THE RIGHT TO BUY TO THE 40,000 - 50,000 TENANTS WHOSE LANDLORD DOES NOT OWN THE FREEHOLD

Your Department have been very helpful, as John Stanley's office has given me three lists, detailing the urgency as follows:

- i) Concentrations of Leasehold Property in Local Authority Ownership
- ii) Conservative MPs who have written about RTB Leasehold
- iii) Other letters (other than from individuals)

I have attempted to analyse them, as follows.

i) Concentrations of Leasehold Property in Local Authority Ownership

First, I have taken the figures of houses where this problem is most concentrated, according to your Department, and made a rough assessment of how many tenants are likely to be interested in buying, on average in each of the constituencies concerned; using the figure of 6.4% of the total eligible. This figure (6.4%) was also supplied by your Department. It is a reflection of the 440,000 who have applied to buy, under existing legislation, as a percentage of those who have the right.

Next, I have considered how many marginal seats there are in each area of

concentration. I have used Labour seats with under 5,000 majorities and Conservative ones with under 7,500. Of course, I cannot question Labour Members, but I have spoken to all the 7 Conservative Members. You will see that not one of them sees any urgency about this legislation. See Annex A.

ii) Conservative MPs who have written about RTB Leasehold

Your Department supplied a list of 17 of our colleagues who have written to your Department. Only 7 of them have majorities of under 7,500. Of these, only David Bevan has a constituency in your own defined concentration areas. His lack of concern is expressed in Annex A. I have spoken to 4 of the remaining 6 Members and attach their comments in Annex B. I think you will agree that they do not reflect a demand for urgent legislation.

iii) Other letters (other than from individuals)

All of the letters received from the North West are from Labour held constituencies. But only Accrington, Heywood & Royton, Middleton, Bury and Bolton have majorities under 5,000. Only Bolton appears on your own list of concentrated areas.

In the London area, most of the seats are Labour controlled. Only 4, (Dulwich, Lewisham East, Lewisham West and Holborn & St Pancras South) have Labour majorities under 5,000. There are 2 Conservative seats in this group with majorities under 7,500. Geoffrey Finsberg's comments appear in Annex B; Peter Bottomley says "Pretty slim urgency; only 1 case known". I think that the attitude of our Conservative colleagues could be described as lukewarm.

2. THE EXTENSION OF THE RIGHT TO BUY TO 70,000 - 80,000 TENANTS OF CHARITABLE HOUSING ASSOCIATIONS

John Stanley's Private Secretary told Felicity Yonge on February 17 that it was not possible to provide figures on the geographic spread of charitable housing associations. I gather that there are 70,000 to 80,000 of these properties. If only 6.4% of tenants of these apply to buy, that amounts to only about 7-8 tenants on average in each constituency.

SUMMARY

If the attitude of our colleagues is any yardstick, there does not seem to be a large political harvest in this legislation. There is little enthusiasm for legislation on council tenants in leasehold property. I am sure you will also agree that this legislation will be fought tooth and nail by the Opposition; also legislation on leasehold and housing associations could give rise to added concern elsewhere.

Therefore, whilst I accept that this legislation would have an important effect in Dulwich and Bolton, there is little evidence of its wider importance as a significant election winner. Indeed, the comments of our colleagues are not remotely enthusiastic. It is rare to find constituencies which are likely to have more than a handful of tenants likely to be interested.

Whilst it is now clear that the legislation cannot go into this year's programme, I do wonder whether we are putting too much importance on it, and whether it is worth pursuing at all. Coming in the run-up to the next election the legislation may well have to be guillotined in the same way as your earlier housing Bill.

Would you consider this evidence and let me know whether you think we could not alter our attitude.

I am copying this letter to the Prime Minister and all members of QL and to Sir Robert Armstrong.

James Eames
Michael

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
London SW1 3EB

ANALYSIS OF DOE LIST OF "CONCENTRATIONS OF LEASEHOLD PROPERTY IN LOCAL AUTHORITY OWNERSHIP"

ANNEX A

	No of Houses Concerned	No of Constituencies (Con.held in brackets)	Average per Constituency	Tenants likely to be interested on 6.4% takeup average per constituency	Labour Majorities under 5000	Conservative Majorities under 7,500
London						
1. Lambeth	1500-3000	4 (1)	375-750	12-22	1. Norwood Fraser 1940 2. Vauxhall Holland 4700	1. Streatham Shelton 5500 "No pressure of any kind".
2. Southwark	1850	3 (-)	616	39	1. Dulwich S Silkin 122	-
3. Westminster	1000	3 (3)	333	21	-	1. Paddington Wheeler 106 "One or two letters, no pressure, entirely relaxed".
4. Hammersmith	1600	2 (2)	800	51	1. North Soley 3506	1. Fulham Stevens 7499 "One letter in 10 years".
Wales						
Merthyr Tydfil	3000	1 (-)	3000	192	-	-
Pontypridd	1000	1 (-)	1000	64	-	-
Abergavenny	Several Hundred	1 (1)	?	?	-	-

ANALYSIS OF DOE LIST OF "CONCENTRATIONS OF LEASEHOLD PROPERTY IN LOCAL AUTHORITY OWNERSHIP"

ANNEX A

Area	No of Houses Concerned	No of Constituencies (Con.held in brackets)	Average per Constituency	Tenants likely to be interested on 6.4% takeup average per constituency	Labour Majorities under 5000	Conservative Majorities under 7,500
Newcastle upon Tyne	4,000	4 (1)	1,000	64	-	1.North Sir W Elliott 1711 "Not aware of this problem"
Bolton	10,000	2 (-)	5,000	320	1.East.Young 1852 2.West.Taylor 600	-
Birmingham	4,000	12 (5)	333	21	1.Erdington Silverman 680 2.Handsworth Wright 3209 3.Perry Bar Rooker 491 4.Stetchford Davis 1649	1.Northfield Cadbury 204 "Haven't had a letter on this. Not a major problem" 2.Selly Oak B.Dark 4775 "Not a grave problem.I should have thought we had better things to do" 3.Yardley Bevan 1164 "Would not make much difference here".

CONSERVATIVE MPs WHO HAVE WRITTEN ABOUT RTB LEASEHOLD

Midlands

David Bevan (Birmingham, Yardley) 1,164 "Would not make much difference here".

London & SE

Sir Brandon Rhys Williams (Kensington) 5,463 "I can't remember more than an odd case. There are more important things to do in housing.

Robert Dunn (Dartford) 1,392 "No Dartford problem. Concerned about Dulwich"

Neil Thorne (Ilford S) 1,688 "Not a great problem in my constituency".

Geoffrey Finsberg (Camden) 368 "I am being pressed on this by about 12 constituents".

Bowen Wells (Hertford) 1,296 Not available. Away on Parliamentary delegation.

South West

Michael Colvin (Bristol NW) 4,677 Not available. Away on Parliamentary delegation.