

PRIVATE RENTED SECTOR

We support Patrick Jenkin's proposal that colleagues should now agree to the deregulation of the private rented sector approved by H Committee on 27 February.

Patrick has reached agreement with Nicholas Edwards, Norman Fowler and Peter Rees on how to meet the small short-term cost of the extra housing benefit on the higher rents which DoE think would arise. As you know, Alan Walters shares our view that there will be small PSBR savings in the short term, not costs, and we agree with DoE that the long-run savings will be substantial. Sam Brittan, in the Financial Times, recently calculated the net present value of the savings in the first 50 years after deregulation at £5bn-£9bn.

We share Patrick's view that setting maximum levels for paying housing benefit on deregulated lettings and fixing them at some point below market rents, or altogether excluding tenants of deregulated lets from housing benefit, would defeat the objects of deregulation, which are to help job mobility, to free the market, to make the best possible use of the housing stock and to reduce homelessness.

We recommend that you should write to Patrick saying that you agree that QL should consider making room for a Housing Bill in the 1985/86 session.



CHRISTOPHER MONCKTON

3 May 1985