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26th March 2010

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Ref: IRU 10/131

email/22591/2010

FREEDOM OF INFORMATION ACT 2000:
HOUSING MARKET

Dear Ms John,

Thank you for your enquiry dated 11th February 2010 asking for information under the Freedom of Information (Fol) Act 2000 (the 'Act').

2. You asked for the following:

... Between April 16th-30th 2004, Prime Minister Tony Blair requested a briefing from HM Treasury on the state of the UK housing market, after he had read Martin Wolf's article in the Financial Times, "A housing market collapse draws nearer" (published on the 16th April 2004).

I would like to request to see the briefing note from HM Treasury and, if possible, the correspondance [sic] between HM Treasury and the Prime Minister's Office (between 16th- 30th April 2004) in response to the Prime Minister's request. ...

3. I can indicate that we hold the briefing note that was sent to 10 Downing Street on 22/06/2004 and that this is being released to you as enclosure with this letter. No correspondence was found for the period of time in question.

4. This briefing note is being provided to you as an enclosure with this letter.

5. I bring to your attention that this document is crown copyright and a legal statement regarding our copyright is attached.

6. A small amount of information has been redacted: the name of a junior official; and a short tract of text with an associated chart (paragraphs 31-33 and chart 8).

7. The former has been redacted under the absolute exemption provided for at section 40 of the Act – personal information – which is in line with the Information Commissioner's Office's guidance.



INVESTOR IN PEOPLE

8. The latter is forecast information, which relates to the development of government policy in regard to the housing market, and as such falls within the class-based exemption provided for under section 35(1)(a) of the Act. This is a qualified exemption and requires us to balance the public interest in release against the public interest in maintaining the exemption.

9. The factors in favour of release include the general public interest in openness and that that openness helps to increase trust in government. There is a general public interest in understanding how the policy development process works, to inform the public as to how decisions are made and for the public to appraise the quality of advice presented to Ministers, including the Prime Minister in this case. There is also a public interest in the Treasury being accountable for judgements about the economy, to demonstrate that these are soundly based and free of bias. Disclosure stands to assist public understanding and engagement, and as these forecasts are central to economic management, an issue that has important ramifications for all citizens, these factors are heightened accordingly.

10. In counterbalance to this, it is in the public interest that decision-making should be based on the best advice available and a full consideration of all the options and for officials being afforded the space to share that internal advice with the Prime Minister. Disclosure would be likely to inhibit the candour of the advice being generated and result in weaker quality forecasts, which would weaken the government's ability to plan its economic and fiscal policy effectively.

11. We recognise that while this request is for older information, however, the forecast process remains part of the ongoing advice cycle; section 35(1)(a) can continue to apply once a policy decision has been made if that is in the public interest. The methodology and analysis that feeds into these forecasts is a crucial and ongoing process that continues to inform judgements and policy advice even after the forecast period. This is particularly the case for house price forecasts, which can involve complex modelling, and which also underlies several other aspects of the economic forecast. Paragraphs 31, 32 and 33, as well as chart 8, specifically impinge upon this area.

12. This information also includes a third party's forecasts, and so disclosure runs the risk that the Treasury's ability to use such material in the future would be limited. Collaboration between HM Treasury and the third party serves the public interest by pooling forecasting expertise and acting as constructive challengers to the other's judgments.

13. The public interest is served by Treasury putting on record its judgment to Parliament twice a year in the two major fiscal events of the Budget and the Pre-Budget Report.

14. We have therefore concluded that the public interest in disclosing the small amount of remaining information that the Treasury holds is outweighed by the public interest in maintaining the exemption in this particular case.

15. We also think that section 36(2)(b) could apply to this information and we reserve the right to apply this exemption in the alternative.

16. If you have any queries about this letter, please contact us at the email account given in the header to this letter. It would help us, if you could remember to quote the IRU reference number (also in the header) in any future communications.

Yours sincerely,

Balvinder Chowdhary

Information Rights Unit
On behalf of HM Treasury



Enclosures:

- UK Housing Market Trends – Paper sent 22/06/2004

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Your right to complain under the Freedom of Information Act 2000

If you are not happy with this reply, you may request a review within 2 months of the date of this letter, setting out which aspects of the reply concern you and why you are dissatisfied. The review request must be in writing to: HM Treasury, Information Rights Unit, 2/S2, 1 Horse Guards Road, London SW1A 2HQ or FOI.responses@hmtreasury.gsi.gov.uk.

If you are not content with the outcome of your complaint, you may apply directly to the Information Commissioner's Office (ICO) for a decision. Generally, they cannot make a decision unless you have exhausted the complaints procedure provided by the Treasury. The ICO can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.

