



10 DOWNING STREET

THE PRIME MINISTER

18 March 1980

Dear Horace,

You wrote to me on 22 February about housing matters and ILEA. I have consulted John Stanley about this (although, as you know, I shall in future not discuss your letters with my colleagues without first checking with you).

I understand that you have been in touch with Michael Heseltine about the transfer of GLC housing to Borough and District Councils. The Order which we are about to lay before Parliament transferring 140,000 GLC dwellings to the primary housing authorities will be a substantial step in the right direction.

As you know, we have always favoured a transfer to the Boroughs, but I think it must be for you to decide whether or not to take the initiative to obtain the Secretary of State for the Environment's approval for a compulsory transfer of the remaining 80,000 dwellings.

Even with the present order behind us, and the terms you have negotiated for this transfer as a model, the transfer of the remainder would be a substantial task in both legal and administrative terms. As you know, the Secretary of State for the Environment can only take a decision on a compulsory transfer, and its timing and terms, after he has consulted

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each receiving authority on the basis of the full details of the proposals. Reasonable time must be allowed for this. Then if the Secretary of State does decide on a compulsory transfer, adequate time must be allowed for legal work on the Order, and for the Parliamentary processes. I am sure you have these timing factors much in mind.

*Y
Lawson*

Argent

Sir Horace Cutler, O.B.E.