PRIME MINISTER 2 AUGUST 1990

HOUSING POLICY

You are now due to discuss both RTM and the future of HATs with Mr Patten and Mr Spicer, probably early in September.

We hope that at this meeting it might be possible to give approval to an early RTM pilot in England, and still more important, an approval to discussing a scheme for a national RTM scheme to be announced in the Manifesto.

On HATs, we are concerned that decisions may be reached by the DoE which do not take into account our <u>strategic</u> position towards local authorities. We do not believe that local authorities have a long term role in either education <u>or</u> housing. Consequently, we should (a) avoid entrusting local authorities with major responsibilities for regenerating bad housing and (b) devolve power to local communities to manage their own affairs. That is why we find the concept of Community Housing Trusts so attractive.

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ROBIN HARRIS