

Subject "masters".



10 DOWNING STREET

From the Private Secretary

26 March 1984

Dear Tom.

Local Government Policies: Commissioner Legislation

The Prime Minister held a meeting today to discuss the proposals for contingent Commissioner legislation. Present were the Home Secretary, Lord Privy Seal, the Secretaries of State for Environment, Education, Trade and Industry, Social Services, Scotland and Transport, the Chief Secretary and the Attorney General. Sir Robert Armstrong and Mr. Buckley were also present. The meeting had before it your Secretary of State's minute to the Prime Minister of 12 March and the paper attached to it.

Your Secretary of State said that a Bill was now in draft which would come before the Legislation Committee in early April. Once introduced it would remain on the Statute Book and would be activated by Order as required. There were a number of issues on which he sought the views of colleagues. The first was whether the Secretary of State should have power to issue guidance which would not be binding on the Commission; or to issue general directions which would be binding but which did not deal with detailed matters.

In discussion, it was argued that a power to issue guidance would distance the Secretary of State from day to day matters of policy and would minimise the risk that the Secretary of State could be called upon, eg through PQs, to answer in the House on detailed local matters. A power of general direction would, on the other hand, be more consistent with the constitutional position. Commissioners would be appointed by the Secretary of State and would be accountable to him, and through him to Parliament, and would not be accountable to the local electorate. The power to issue general directions would make it clear that Commissioners would be under Government control. With a power of guidance, the Commissioners would appear to be accountable to no-one. Furthermore, the Commissioners would inevitably have many difficult decisions to take and they would find it useful in defending their actions to refer back to directions that they had been given.

It was agreed that the Bill should provide for a general power of direction but that Ministers should seek to establish a convention that they would not answer detailed questions on the affairs of a particular Commission.

/ The meeting

The meeting then considered the time period for which Commissioners should be appointed. While it would ease the passage of the Bill to keep this period as short as possible, Commissioners would need to be given adequate time to put the finances of the Council in order. After discussion, it was agreed that Commissioners should hold office for the balance of the financial year in which they were appointed and the whole of the next financial year, this term to be extendable by order.

The meeting then considered the other questions raised in paragraph 19 of your Secretary of State's paper. They were all agreed with the exception of the proposal to hold at least one public meeting annually, as suggested in paragraph 19(d).

It was argued that Commissioners should be subject to the same financial regime as other Councils. It would look odd, however, for the Government to apply financial penalties or rate-capping to its own agents. Against this, it was pointed out that the Secretary of State could dismiss Commissioners who did not follow the directions given and so this possibility was largely academic.

I am copying this letter to Janet Lewis-Jones (Lord President's Office), Hugh Taylor (Home Office), David Heyhoe (Lord Privy Seal's Office), Elizabeth Hodgkinson (Department of Education and Science), John Graham (Scottish Office), Callum McCarthy (Department of Trade and Industry), Steve Godber (DHSS), John Gieve (Chief Secretary's Office, HM Treasury), Henry Steel (Attorney General's Office), Dinah Nichols (Department of Transport), Richard Hatfield (Cabinet Office) and to Michael Buckley.

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Yours sincerely
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Department of the Environment.