

CONFIDENTIAL

NATIONAL  
HEALTH

Ref. A01552

PRIME MINISTER

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Parliamentary Affairs: Lambeth, Southwark and Lewisham Area Health Authority

The Secretary of State for Social Services is considering urgently the implications of this week's High Court judgment which ruled that he had acted unlawfully in appointing Commissioners to manage the affairs of the Authority. He hopes to send you a minute tonight. We do not yet know what legal advice he will receive, but it is possible that there will be a need for an urgent Indemnity Bill. If so, he will mention the matter under Parliamentary Affairs.

see  
Mr Jenkins's  
minute at A  
and the  
Chief Whip!

2. You will want the Secretary of State for Social Services to give the best indication he can of the likely attitude of the Opposition to any such Bill. Their co-operation would be essential in getting a Bill through the House quickly. The Chancellor of the Duchy of Lancaster (to whom the Secretary of State for Social Services has spoken) and the Minister of State, Ministry of Agriculture, Fisheries and Food can comment on the implications of adding this Bill to the immediate business in both Houses. There should be no great problems in the Commons if the Bill could be introduced next week. In the Lords, however, the Bill would have to be fitted in with the debates on the Education (No. 2) Bill, for which time is already tight.

REA

ROBERT ARMSTRONG

27th February, 1980

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STATEMENT BY THE RT HON PATRICK JENKIN MP  
SECRETARY OF STATE FOR SOCIAL SERVICES

With permission Mr Speaker I wish to make a further statement about the future of the Lambeth, Southwark and Lewisham Area Health Authority (Teaching).

I reported to the House last Tuesday. On Wednesday I had a meeting with Mr Stanley Hardy, the Chairman of the AHA(T), who told me that the soundings he had taken among members of the Authority led him to believe that the Authority would in future accept its responsibility to comply with cash limits. On Thursday, I received a letter from the solicitor for the London Borough of Lewisham, writing on behalf of the three London Boroughs who were the applicants in the case before the Court informing me that his clients would not object to the Commissioners remaining in a purely caretaking role until 31 March 1980. He envisaged that the Authority, on resuming control from 1 April, would have freedom of action to review decisions taken by the Commissioners, but accepted that the Authority's expenditure should stay within cash limits. As the House knows, there is a clause in the Health Services Bill now in Committee, which if approved by Parliament will impose a statutory duty on all health authorities to comply with the Government's requirements on cash limits.

The House will, I know, recognise the importance of these expressions of intent and the recognition they imply of the position which it was always my intention to sustain. In these circumstances, I thought it right to invite members of the AHA(T) to meet me last Friday to review the position, and I am grateful to the many members who at such short notice attended the meeting. The discussion took place in a helpful and constructive atmosphere. For their part, the members present, nearly two-thirds of the total membership, unanimously assured me that they will be prepared to accept an obligation to keep the Authority's expenditure within cash limits. For my part, I assured them

that on that basis they would be free to review any of the decisions taken by the Commissioners, and moreover, that during the short caretaker period up to the 31 March, the Commissioners would not initiate any changes of major significance. I saw the Commissioners' task as preparing for an orderly handover to the members of the Authority, taking only such routine decisions which were essential to maintain services in the meantime.

It seems to me that this would be a not unsatisfactory outcome and I have accordingly decided not to appeal against the judgment of Mr Justice Wolff, but instead to arrange for the members of the Authority to resume their functions from 1 April next.

The solicitors for the three Councils may seek a formal Order from the Court within the next day or so. Since the judgment effectively declares invalid the Directions I gave last August, legislation will be necessary to regularise the position over the past seven months and to give immediate backing to the status of the Commissioners up to the end of this month. The Government is therefore laying a Bill before the House to give legal effect to the decisions and actions taken under the Directions from 1 August 1979 up to and including 31 March 1980. Copies of the Draft Bill are available in the Vote Office.

My Rt Hon Friend the Leader of the House will make a statement about the arrangements for the Bill in due course.

I offer my full and unqualified apology to the House in this matter and in particular for the trouble and inconvenience which the Bill will cause to Hon and Rt Hon Members.