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10 DOWNING STREET

PRIME MINISTER

There has been a great deal of correspondence arising from Mr. Heseltine's effective review of controls over local government. I have not troubled you with most of this, although you saw and agreed Mr. Heseltine's draft statement and White Paper on the subject.

You may, however, like to be aware of the point raised in Mr. Patrick Jenkin's attached letter: he argues that the Government should be cautious in any public reference to a review of local authority functions, as opposed to a review of the controls just completed.

You have yourself pressed for Ministers to take a more critical interest in local authorities' use of resources in carrying out their functions. This does not conflict with Mr. Jenkin's warnings about the need to move with care in reviewing those functions.

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26 July 1979



DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

*From the Secretary of State for Social Services*

The Rt Hon William Whitelaw CH MC MP  
 Secretary of State for the Home Department  
 Home Office  
 50 Queen Anne's Gate  
 London SW1

23 July 1979

Dear Willie,

CONTROLS OVER LOCAL GOVERNMENT : STATUTORY FUNCTIONS OF LOCAL GOVERNMENT

I have no comment on the substance of the draft Parliamentary statement circulated with Michael Heseltine's letter of 20 July, insofar as it refers specifically to the review of controls which we have just completed.

I think it important, however, that any review of local authority functions should at this stage be referred to in public with caution. I have not yet examined in detail the scope for reducing local government's social services functions, but do not believe it to be great in the context of the kind of review outlined in the note annexed to Michael Heseltine's letter. We have already proposed, during the review of controls, an alteration to S.2 of the Chronically Sick and Disabled Persons Act 1970, which would make the provision of certain welfare services for the disabled discretionary rather than mandatory; I hope that this can in any case be included in the Bill incorporating the results of the review of controls. I see no need to hold it up - or any other functional changes already decided on - for a further general review. However, most social services legislation in practice already gives authorities a wide degree of discretion over the extent of provision; and any major reductions in function would simply be made at the expense of the National Health Service.

We do, of course, need to respond to the Association of County Councils' paper advocating a reduction of functions; but I suggest that we do so in terms which will avoid unnecessary apprehension. I therefore suggest that the third full paragraph on the second page of Michael Heseltine's draft statement should simply read:

"This review has examined the Government's controls over local authorities. There is also a need to consider the statutory duties placed on them with the same objective in view, that is to increase their discretion. We shall be conducting such a review in consultation with the local authority associations."

This would be consistent with the revision that I proposed for the relevant passage on the White Paper on Controls (my letter of 20 July).

As to the form of the review, I suggest that we should start off by inviting the associations to let us have their concerted views on the functional changes they consider desirable. We could then add any other areas which we ourselves thought it important to review. Depending on the resulting volume of work we could either appoint a special study group as you suggest or have a series of separate groups dealing with particular areas under the leadership of the Minister concerned, with provision for co-ordinating results in the usual way.

I am sending copies of this letter to the Prime Minister, members of the Cabinet and of H Committee, and to Sir John Hunt.

You are  
Patel

24 JUL 1979

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