



SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

Prime Minister

#### CONTROLS OVER LOCAL GOVERNMENT

I have been considering how to implement our decision to carry out an early review of statutory controls over local government, taking into account the arrangements suggested by Michael Heseltine on 16 May.

There are powers to remove controls in the local government reorganisation legislation which we passed in 1973, and I intend to use these to the maximum extent possible though, as Michael Heseltine envisages, further legislation may well be necessary. I am disappointed to find that the 1973 Act powers have not been exercised so far; but I am glad to find that the Scottish Office over the last few years has introduced a system of control of capital expenditure related to major functional blocks comprising a range of services, and has simplified the remaining procedures for project control. I intend to announce a further change in the course of the next few weeks whereby my Department will cease to examine individual housing projects for subsidy approval.

I shall try to identify, within the timetable suggested by Michael Heseltine, as many controls as possible which could be removed, although to complete the process I shall have to arrange for discussions with the Convention of Scottish Local Authorities.

Numerically I expect it will be possible to dispense with a great many controls, but we shall have to bear in mind that we need to retain the means of pursuing our policies in the various local government fields.

We need also to retain the ability to secure acceptable standards in services like the police, which, although provided locally, are essentially national in concept and conditions.

I am copying this to Cabinet colleagues, the Minister of Transport and Sir John Hunt.

GEORGE YOUNGER

6 June 1979

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