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Prime Minister ①

To note the outcome of
the various legal cases.
Agree Mr Jenkins's conclusions?

Yes

MS

AT
29/10

PRIME MINISTER

THE ASSOCIATION OF LONDON AUTHORITIES

attached
Over the past year, the Government attitude towards the Association of London Authorities (ALA) (the breakaway Labour local authority association formed by eleven councils) has been that agreed in Cabinet on 22 September (CC(83)28th - Conclusions). That is, as an interim practice the government agreed to consult the ALA where there was a legal obligation to consult the local authority associations pending the outcome of legal proceedings and without prejudice to our eventual view. This ensured that particular Government decisions (notably the rate support grant settlement) would not be open to challenge through a failure to consult.

A High Court judgement last year brought by the London Borough of Bromley held that subscriptions to the ALA ^{were not} ~~are now~~ lawful. As a result of this judgement, the ALA revised their constitution. However, this has been overtaken by a subsequent case in which the High Court held that subscriptions to the ALA, under its revised constitution, were lawful. Conservative Boroughs have stated that they will not appeal against this second judgement.

Legal proceedings have now reached a conclusion. The decision must now be taken whether to consult the ALA across a range of issues on the same basis as the other local authority associations. We have no legally safe alternative but to consult them in instances where consultation with the associations is required by statute. The Solicitor-General agrees that I would be liable to successful challenge if I failed to do so.

Informal soundings among Conservative leaders of the other associations suggest that they accept that there is no room for manoeuvre on mandatory consultation. So tomorrow (30 October) at the Consultative Council on Local Government Finance (CCLGF) I shall make it clear that the ALA will in future be consulted as of right.

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This will leave over for further discussion with the local authority associations the question whether to treat the ALA differently from the other associations on issues where we consult even though there is no legal requirement to do so; and the relative representation of the various associations, including the ALA, on the CCLGF (and the Housing Consultative Council). The Conservative leaders advise that nothing is to be gained from treating the ALA differently, but they have not as yet proffered advice on representation. In the light of further discussions with the association I shall reach my conclusions on these matters and let you know the outcome.

I am copying this minute to Cabinet colleagues, the Solicitor-General and Sir Robert Armstrong.

Atkin

for

P J

27 October 1984

Approved by the Secretary of
State and signed in his absence

Local Govt: Relations



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COMMISSIONER

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②
PRIME MINISTER

To note AT 12/11

ml

Following my letter to you of 29 October I announced the Government's decision on the status of the Association of London Authorities (ALA) in relation to statutory consultation arrangements. I informed the Consultative Council on Local Government Finance (CCLGF) at its meeting on 30 October that the ALA would now be accepted on the same basis as the other local authority Associations.

This decision does, of course, have implications for the other local authority Associations, and I have been in close contact with their Conservative Leaders since the outcome of the ALA court proceedings. The fabric of consultative arrangements with local government was already under strain and the advent of the ALA has exacerbated the situation. Although the future size, composition and balance of statutory consultative meetings remain live issues, and I fear ones which will take some time to resolve, the other associations recognise that we have no option but to recognise the ALA. And they accept that it will be impracticable to try to restrict our dealings with the ALA to matters where there is a legal requirement to consult.

My own conclusion is that the distinction between statutory and non-statutory consultation is often difficult to make; and it is precisely in these marginal cases that we will be vulnerable to legal challenge by the ALA. I also fear that a decision to exclude the ALA from non-statutory consultations could be used against us. It would provide the ALA with a continuing cause for attracting publicity disproportionate to their importance; and endless scope for mischief. Accordingly I propose in future to consult the ALA in all cases on the same basis as the other Associations.



- / I attach draft guidance notes for my Department which, subject to your views and those of colleagues, reflect my recommendation.
- / I am copying this minute to Cabinet colleagues, the Solicitor General and Sir Robert Armstrong.

PJ

P J

12 November 1984

CONQUEROR

DRAFT HEADS OF DIVISION CIRCULAR
ASSOCIATION OF LONDON AUTHORITIES

1. Two previous HOD Circulars (Environment 26/83 and 11/84, Transport 21/83 and 10/84) provided interim guidelines for Departmental dealings with the Association of London Authorities (ALA). Court proceedings concerning the ALA have now reached a conclusion, and it is therefore now possible for the government to take a view on the consultative status of the ALA.

2. Following the decision of the High Court on 23 March 1984 that the GLC's subscriptions were illegal because the ALA was essentially a political organisation, the Association amended its constitution. Subsequently an action brought by the ALA in the High Court decided that subscriptions could lawfully be paid to the reconstituted ALA under S.143 of the Local Government Act 1972. Appeals were lodged in both cases but were dropped by the mutual agreement of the various parties. The result of these proceedings is therefore that under its amended constitution any local authority in London may pay subscriptions to the ALA on the same basis as to the AMA or LBA.

3. The Secretary of State announced at the Consultative Committee on Local Government Finance on 30 October 1984 that the Government's position towards the ALA on statutory consultation was no longer provisional. The association would now be treated on the same basis as the other associations. This will present practical problems in terms of the size, balance and composition of statutory consultative forums, but that is primarily a matter for the local government side to resolve itself.

4. Further consideration has now been given to the position of the ALA. Ministers have decided that the ALA should now be treated on precisely the same basis as the other associations in relation to all consultations conducted by departments with local government. That means that in instances where it is considered necessary or desirable to seek the views of London local government, the ALA should be consulted in addition to the LBA. There may appear to be good reason in particular circumstances for only consulting one of the London associations, but before proceeding in this way divisions should first consult IGL.



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cc Home Office

10 DOWNING STREET

From the Private Secretary

13 November, 1984

ASSOCIATION OF LONDON AUTHORITIES

The Prime Minister has seen and noted your Secretary of State's minute of 12 November.

I am sending a copy of this letter to Henry Steel (Attorney General's Office) and to Richard Hatfield (Cabinet Office).

(Andrew Turnbull)

J. Ballard, Esq.,

Department of the Environment.

NBPM AF 30/11 CEMP

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From the Minister of State for Industry

Norman Lamont MP

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

30 November 1984

Dear Patrick

Thank you for copying to Norman Tebbit your letter of 12 November to the Prime Minister concerning the Association of London Authorities (ALA).

I agree that, like the other local authority bodies, the ALA should be consulted on non-statutory matters and I am content with the draft guidelines.

Copies of this letter go to the Prime Minister and Members of the Cabinet, to the Solicitor General and to Sir Robert Armstrong.

Jan e
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10 DOWNING STREET

From the Private Secretary

30 October, 1984.

The Association of London Authorities

The Prime Minister has seen your Secretary of State's minute of 29 October. She accepts the conclusions that he has reached.

I am sending copies of this letter to the Private Secretaries to the Members of Cabinet, to Henry Steel (for the Solicitor General), and to Richard Hatfield (Cabinet Office).

Andrew Turnbull

John Ballard, Esq.,
Department of the Environment.

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