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PRIME MINISTER

INQUIRY INTO LOCAL GOVERNMENT PRACTICES AND PROCEDURES

When I minuted you on <sup>See Pt 24</sup> 7 December about the proposed inquiry into local government practices and procedures, I said that I would be making final recommendations to you about how we should proceed and simultaneously circulating the proposed terms of an oral statement in the House on the establishment of the inquiry.

Preliminary soundings which I took of John Cunningham and the leaders of the main local authority associations indicated that they would be favourably disposed to our proposals for a small but high-powered committee of inquiry. I have invited the Opposition parties' spokesmen and the leaders of the English local authority association to meet me over the next few days for fuller informal discussions. George Younger has written similarly to the Convention of Scottish Local Authorities and Nicholas Edwards is speaking tomorrow to the local authority associations in Wales. I will want to take account of these discussions in setting the final form of my statement to the House but I would not expect them to affect the substance of what I need to say. Therefore, in view of the importance of announcing the establishment of the inquiry before 7 February if we are to maintain momentum (Mr Widdicombe being out of the country from 16 February until the end of this month) I am circulating now a draft of this oral statement which, subject to any changes necessary as a result of consultations with the opposition parties and the Associations I would like to make in the House at the earliest opportunity. I should be grateful for your approval that I should put forward our further proposals for the inquiry in the terms of the draft statement attached.

I am copying this to Cabinet colleagues and to Sir Robert Armstrong.

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DRAFT STATEMENT

IN THE DEBATE ON THE ADDRESS ON 7 NOVEMBER I SAID I INTENDED TO SET UP AN INQUIRY INTO VARIOUS PRACTICES AND PROCEDURES IN LOCAL GOVERNMENT, FOLLOWING DISCUSSIONS WITH THE OPPOSITION PARTIES AND THE LOCAL AUTHORITY ASSOCIATIONS, I AM NOW IN A POSITION TO GIVE FURTHER INFORMATION TO THE HOUSE.

THE TERMS OF REFERENCE FOR THE INQUIRY WILL BE AS FOLLOWS:

"TO INQUIRE INTO PRACTICES AND PROCEDURES IN LOCAL GOVERNMENT IN GREAT BRITAIN WITH PARTICULAR REFERENCE TO -

- A. THE CONDUCT OF COUNCIL BUSINESS;
- B. THE RIGHTS AND RESPONSIBILITIES OF ELECTED MEMBERS;
- C. THE RESPECTIVE ROLES OF ELECTED MEMBERS AND OFFICERS;  
AND
- D. THE LIMITS AND CONDITIONS GOVERNING DISCRETIONARY  
SPENDING BY LOCAL AUTHORITIES

AND TO MAKE ANY NECESSARY RECOMMENDATIONS FOR SAFEGUARDING THE DEMOCRATIC PROCESS."





WITHIN THOSE TERMS OF REFERENCE I HAVE SUGGESTED THAT THE INQUIRY MIGHT PAY PARTICULAR ATTENTION TO THE FOLLOWING ISSUES -

- THE MAINTENANCE OF FULL AND OPEN ACCOUNTABILITY FOR DECISION-TAKING TO ELECTED MEMBERS AND TO THE ELECTORATE GENERALLY; AND THE SAFEGUARDING OF THE DEMOCRATIC PROCESSES IN LOCAL GOVERNMENT;
- THE RIGHTS AND RESPONSIBILITIES OF PARTY GROUPS AND OF INDIVIDUAL ELECTED MEMBERS;
- ANY PROBLEMS OF PROPRIETY WHICH MAY ARISE FROM MEMBERS' CONFLICTS OF INTEREST;
- THE USE OF MEMBERS' ALLOWANCES AND THE IMPLICATIONS OF THE DEVELOPMENT OF FULL-TIME COUNCILLORS;
- THE CO-OPTION OF NON-ELECTED MEMBERS;
- THE NEED TO PROTECT THE POLITICAL NEUTRALITY OF LOCAL AUTHORITY OFFICERS;
- THE NEED TO CLARIFY THE LIMITS AND CONDITIONS GOVERNING DISCRETIONARY SPENDING FOR POLITICAL PURPOSES.

IN VIEW OF THE GROWING PUBLIC CONCERN ABOUT THE USE MADE BY SOME LOCAL AUTHORITIES OF THEIR DISCRETIONARY POWERS TO ENGAGE IN



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OVERT POLITICAL CAMPAIGNING AT PUBLIC EXPENSE I AM ASKING THE COMMITTEE TO SUBMIT AN EARLY INTERIM REPORT ON THIS QUESTION. AS FAR AS THE REPORT AS A WHOLE IS CONCERNED I HAVE ASKED THE CHAIRMAN TO AIM THE REPORT WITHIN A YEAR.

IT IS ESSENTIAL THAT THE INQUIRY SHOULD BE BOTH IMPARTIAL AND EFFECTIVE IN DEALING WITH THESE DIFFICULT ISSUES. I BELIEVE THAT THE WAY TO ACHIEVE THIS IS TO ESTABLISH A SMALL COMMITTEE OF PEOPLE OF JUDGEMENT AND ABILITY HEADED BY A CHAIRMAN OF KNOWN INTEGRITY AND INCISIVENESS. THE SECRETARIES OF STATE FOR SCOTLAND AND WALES AND I THEREFORE PROPOSE TO APPOINT A COMMITTEE OF FOUR MEMBERS IN ALL, CHOSEN FOR THE PERSONAL CONTRIBUTION WHICH EACH CAN MAKE TO THE WIDE-RANGING SUBJECT-MATTER OF THE INQUIRY.

MR DAVID WIDDICOMBE, QC, HAS INDICATED TO ME THAT HE WOULD BE PREPARED TO ACCEPT APPOINTMENT AS CHAIRMAN OF THE COMMITTEE OF INQUIRY.



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