



Prime Minister

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CONFIDENTIAL

PRIME MINISTER

COMMUNITY CARE - IMPLEMENTATION

The Health Secretary has concluded that an agency route does not solve the problems on giving community care to LAs. No action needed now: Mr Clarke is right on 'x' that we need to await the outcome on the community charge review.

At the meeting you held on 21 May, I was asked to give urgent consideration to the possibility of local authorities discharging community care responsibilities as agents of central Government for an interim period from April 1991. The intention of such an arrangement would be to constrain local authority expenditure within the Government's plans.

I have concluded that this is not a viable option. For an agency arrangement to be set up in this field, the following would be necessary:


- a. primary legislation which would lay on central Government the responsibility for whatever it was that the Government wanted local authorities to do as agents of central Government, and would enable central Government to appoint local authorities as agents to carry out those functions on its behalf;
- b. a detailed set of rules which would set out precisely how central Government expected local authorities to discharge their agency functions;
- c. arrangements for monitoring whether local authorities were applying the rules correctly;
- d. systems for allocating resources to local authorities, and monitoring the use of resources.

Such arrangements could not be put in place in time.

Furthermore, an agency arrangement would not get around the difficulties which were identified previously when we were considering possible measures to control local authority expenditure on community care.

My officials have discussed the matter in some detail with officials from the Treasury, the Department of the Environment, and the Department of Social Security and they concur with my conclusions, as do Scottish and Welsh Office officials. The situation is rather different in Northern Ireland where health and social services boards act as agents of the Department.

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We are, in my opinion, faced with a clear choice to go ahead now or to delay implementation until April 1993. We have not found another viable option. I continue to hope that the wider discussions about action to tackle the problems of the community charge will lead to arrangements which will enable our community care reforms to go ahead as planned in April 1991. I await the outcome of those wider discussions.

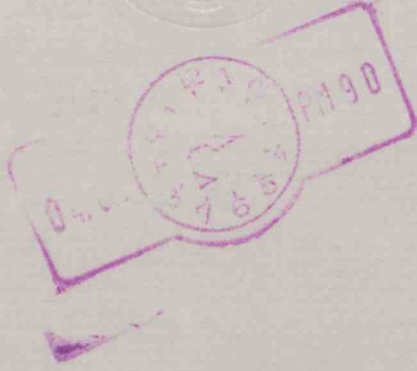
I am copying this minute to the Secretaries of State for Scotland, Social Security, the Environment, Wales and Northern Ireland, the Chief Secretary and Sir Robin Butler.

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4th June 1990
Secretary of State for Health

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NAT HEALTH : Expenditure PT24



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