



PRIVY COUNCIL OFFICE

WHITEHALL, LONDON SW1A 2AT

23 July 1987

Dear Nicholas

NBM.

A 'STOP' POWER FOR THE DISTRICT AUDITOR

WITH REQUEST IF REQUIRED

In your letter of 17 July you ask for colleagues' agreement to work up two proposals for inclusion in the Local Government Bill. Since time before the summer recess is now so short, I thought it might be helpful if I replied straightaway without waiting for colleagues' views. The following comments are, therefore, subject to any further points that our colleagues wish to make.

It seems to me that there is a considerable distinction between the two powers that you are proposing. The first proposal - to extend the existing power of the auditor by enabling him to issue a 'stop' order rather than having to act retrospectively - seems to me to be fairly clear cut. If colleagues agree, I would be quite content to see it in the Local Government Bill.

The second point seems to me to be considerably more difficult and to break some very new ground. It may well be the right course to take but it seems to me to raise issues of sufficient importance and difficulty to need collective discussion. Realistically I do not think that possible before the recess. I would like to suggest, therefore, that you arrange for it to be brought to the appropriate forum as soon as possible after the summer break, and that we should then discuss it with the benefit of full advice about the legal principles involved, together with an assessment of the difficulty of enforcing your proposed system in the courts. I hope this will not cause you any difficulties.

I am sending a copy of this letter to the Prime Minister, the members of MISC 109 and E(LA), the Attorney General, First Parliamentary Counsel and Sir Robert Armstrong.

The Rt Hon Nicholas Ridley MP