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to me - PL

MAP

10 DOWNING STREET

PRIME MINISTER.

Sir Horace Cutler has sent you the attached copy of the latest letter in his correspondence with Mark Carlisle about ILEA.

When you saw Mr. Carlisle and Lady Young you made it clear that you wanted to see the abolition of ILEA, with responsibility returned to smaller local authorities. May I take it that you would not wish to intervene? You may, however, like to acknowledge the copy of Sir Horace Cutler's letter as in the draft below.

Mad

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26 July 1979

From SIR HORACE CUTLER, O.B.E.

LEADER OF THE GREATER LONDON COUNCIL

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Telephone 01-633 3304/2184

R26/7

25 July 1979.

CONFIDENTIAL

Rt. Hon. Mark Carlisle, M.P.,
Secretary of State for Education and Science,
Department of Education and Science,
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York Road,
London, SE1 7PH.

FUTURE OF ILEA

Further to our correspondence I enclose a paper which really only amounts to an indication of what might happen, without too much detail.

That something should happen is both essential and pressing. Quite apart from the educational and social reasons for devolving the schools, arguments which in themselves are overwhelming, the political case is unanswerable. Over the critical period of the next five years the only London base our opponents will have is ILEA - it affords them accommodation, facilities and expertise. If there were no other factors - and there are - on this ground alone ILEA would have to go. The consequences of the alternatives are obvious.

We are far from dogmatic about the non-schools sector. Politically it is probably easiest to make each borough completely autonomous, but financially and educationally there is a case for a London-wide FHE authority.

Whatever happens there is also a case for a rethink of London's education finance, not least because there are going to be terrible tangles with RSG if it is not thought out.

I am going on holiday next week; but I hope that there will be some positive response by very early in September. As a matter of courtesy I am copying this letter and enclosure to the Prime Minister

(Signed) Horace Cutler

INNER LONDON - BLUEPRINT FOR EDUCATION

1. Inner City policies have two objectives - to roll back the carpet of Socialism and to improve the quality of life. The two are not only compatible but interdependent, and to achieve them demands a long, hard look at services, institutions and modern needs.

2. (a) Inner London is a case in point. Quite apart from the quality of education provided (which in the schools at least is not of the best) and its cost (which is scarcely the lowest!) the political system under which education is administered is distinctly odd.
 - (b) (i) With the exception of 1967-70 education in Inner London has been an exclusive preserve for decades. Even the favourable GLC and borough elections results of 1977 and 1978 could not shake the Socialist entrenchment.
 - (ii) ILEA's political constitution is odd, too. It comprises the 35 GLC Members for Inner London Constituencies (18 Lab., 17 Con.) plus 13 representatives of the Inner London boroughs and the City - one for each (8 Lab, 4 Con., 1 Ind.). It functions almost exclusively via the Education Committee, which has seventeen co-opted additional Members, of whom 6 are ILEA teachers. Sub-committees abound. Thus at a time when the Aldermanic system has been abolished elsewhere it exists in a different guise on ILEA. Additionally, education rarely figures as an election issue, the cost is huge and public accountability is not as direct as it might be.
 - (iii) A clear political objective exists - to bring the empire to an end. There is no problem over stating this objective, nor in rationalising it in terms of democratic and financial accountability, efficiency and so on. The difficult bit is deciding what to replace it with.

- (c) Remember that ILEA not only caters for a huge (but falling) school population; it runs further, higher, advanced, special and adult education too. A different political or admin. structure might be appropriate for each of these, yet changes need to be rational and consistent. Nevertheless, it is the Schools which give rise to the greatest difficulties.

3. (a) Clearly there are any number of administrative/ constitutional changes which might be initiated. However, change for its own sake (cf 1974) can be, and usually is, disastrous; and in fairness to ILEA its FHE provision is probably second to none.
- (b) Options therefore exist, and each needs to be costed. It is probably best to consider schools (excluding special schools) and FHE (plus special schools) independently.

4. The Options

(i) Schools (excluding special schools)

(a) The Marshall Report

Sir Frank recommended that ILEA's area and admin. remain the same, but that it be run politically by a Statutory Joint Committee of the Boroughs. This, if anything, would be worse than the status quo, since no Members would be (directly) elected - and this on a body spending over £500 million a year!

(b) Fragmentation and grouping

This would give a number of joint authorities - e.g. Hammersmith/Kensington and Chelsea/Westminster and perhaps the odd individual borough - e.g. Greenwich or Wandsworth - who have intimated that they want this responsibility.

Politically this is far from ideal, but helps overcome financial objections, of which more later.

(c) Complete devolution

Every borough would run its own schools, thus tying in with social services and so on, and creating, in effect homogeneity of powers and duties throughout London for schools purposes

(ii) Further and higher education (inc. special schools)

Adult, non-vocational education could well be given to each borough. However, ILEA has a fair reputation in FHE and provides specialist facilities for an area going well beyond London itself.

The possibilities are, therefore:

- (a) Every inner borough to have FHE service - not very rational, given specialist nature of colleges, but totally consistent with position of Outer Boroughs;
- (b) Inner London to remain one authority for FHE purposes - retains expertise and admin. but not politically attractive, and also anomalous.
- (c) Create one authority for FHE over Greater London, ie. the GLC. This could upset Outer Boroughs, and has financial consequences, but would be consistent with democratic principles and provides large catchment area.

5. Administration and finance

- (a) Experience indicates that there will be organised opposition to any changes from the "professionals", the teachers, their trade unions and from political opponents.

However, the ILEA is already organised very largely on the basis of devolution to district offices and officers. Each district covers one borough, except that three districts contain two boroughs each - Hammersmith/Kensington and Chelsea, Camden/Westminster and Tower Hamlets/City.

Thus the practical problems will be of accommodation and willingness to co-operate rather than in re-organisation.

- (b) Finance is a bigger headache.

At present the boroughs all receive RSG on education account. ILEA spending, however, is "equalised" over Inner London by its precept. The "rich" boroughs thus subsidize the "poor" ones - in fact the City and Westminster between them have almost half of Inner London rateable resources.

By grouping boroughs as joint education authorities some of the resources could be spread about. But if all Inner Boroughs take on schools one of three things must happen, viz. rates in most Inner Boroughs (nearly all Labour controlled!) will rocket;

or

the Government will have to stump up with extra RSG for the "poor" boroughs, without much hope of claiming it back from the "rich ones";

or

a more comprehensive London rate equalisation scheme needs to be introduced. This could be a price worth paying, but it will not be popular, especially if Outer London is involved.

- (c) Detailed work needs to be done on all the options, and it will not be easy because (e.g.) population figures are not very exact. In the table attached certain assumptions have been made about school population, and they may have led to inaccuracies. However, the principle is demonstrated, viz that the financial burden shifts from the City, Westminster, Camden and Kensington towards the other boroughs.

The example assumes equalisation of FHE and special schools expenditure, whatever admin. structure is chosen for them. Even so, the extreme variation in rate-poundages (from +71p to -30p) are probably untenable without changes in the grant distribution.

6. Legislation needs to be in effect by July 1980.

Rateborne ILEA costs 1979-80

1	2	3	4	5	6	7	8	9
Authority	lp r.p. £m	School Pop.	ILEA prec. £m	Cost - own schools £m	Cost - F.H.E. and spec. shared. £m	5 + 6 £m	Difference 4 & 7 £m	Difference to rates p
City	2.157	800	101.0	0.8	34.8	35.6	- 65.4	- 30
Camden	1.040	18500	48.7	16.7	16.8	33.5	- 15.2	- 15
Greenwich	0.355	38400	16.6	36.0	5.7	41.7	+ 25.1	+ 71
Hackney	0.343	30300	16.1	28.2	5.5	33.7	+ 17.6	+ 51
Hammersmith	0.328	17300	15.4	17.1	5.3	22.4	+ 7.0	+ 21
Islington	0.464	25300	21.7	23.6	7.5	31.1	+ 9.4	+ 20
K. and Chelsea	0.670	17000	31.4	16.0	10.8	26.8	- 4.6	- 7
Lambeth	0.555	35900	26.0	33.0	8.9	41.9	+ 15.9	+ 29
Lewisham	0.420	40000	19.7	37.5	6.8	44.3	+ 24.6	+ 59
Southwark	0.540	40800	25.3	38.6	8.7	47.3	+ 22.0	+ 41
T. Hamlets	0.409	24600	19.2	23.0	6.6	29.6	+ 10.4	+ 25
Wandsworth	0.465	42600	21.8	40.2	7.5	47.7	+ 25.9	+ 56
Westminster	2.970	19800	139.1	18.9	47.9	66.8	- 72.3	- 24
	10.716	349500	502.0	329.6	172.8	502.4	- 0.4	