

30 September 1983
Policy Unit

PRIME MINISTER

ABOLITION OF THE GLC AND MCCs: WHITE PAPER

Even at this late stage, I am afraid there remain several highly unsatisfactory passages in the White Paper as drafted. Many questions are still dodged or blurred.

Is there any real hurry for publication? Patrick, I am sure, could deliver an admirable Conference speech without having the White Paper in his hand. In fact, he might find it easier to face the wrath of Conservative councillors on some points if our policy was not already published in detail.

In the long run, it is much more important, politically as well as administratively, to get these proposals right, even if it takes a few weeks longer.

If you find that MISC 95 is running into difficulties on Monday afternoon, it might well be better to defer final approval to another meeting after the Conference.

Fire Brigades (2.19)

There is a thumping contradiction here. The Government are said to be "convinced" that the present set-up is best, and should be kept. But we don't seem to be very convinced because, two sentences further on, we are told that the London Fire Brigade is far too big and ought to be split into "four operational commands each responsible to an area committee of the joint board".

In that case, why not split London into four separate brigades? Or at least devolve services to those boroughs that can cope on their own? There seem to be few economies of scale in firefighting beyond the level of the fire station. Smaller units may well be managed better, as outer London boroughs used to. There is growing pressure for this devolution, eg from the Leader of Sefton Council.

There is a good case for repeating here the Public Transport formula in 2.24.

2.19 could then read: "On the whole, the Government are convinced that the present fire service organisation in the Metropolitan

counties and in London is the most appropriate . . . and in general the existing brigades will be retained. The Government will, however, be prepared to consider on their merits any proposals by individual districts to provide separate services".

The Home Secretary would have a total veto over unworkable proposals. Anyway, boroughs would be unlikely to propose opting out without the backing of their Chief Fire Officer. But giving boroughs the right to apply to opt out would be one more answer to the allegation that we are merely replacing the GLC/MCCs with a series of joint boards. It would also make it easier to adapt the pattern of fire services to local geography - as we already do with police forces (eg the combined Thames Valley police; the inclusion of Tyne & Wear within the Northumbrian force).

Education in Inner London (2.20)

At the last moment, Inner London Tory MPs (led by John Wheeler and Martin Stevens) have produced a fresh and attractive proposals: that ILEA should devolve to borough committees the responsibilities for schools at present exercised by divisions of ILEA.

What is suggested is roughly that:

- (a) ILEA would continue to control the total level of the Inner London schools budget, its distribution and manpower levels in each division;
- (b) ILEA would also continue to control the capital programme, and closures and amalgamations of schools, subject to the existing rights of appeal to the Secretary of State; but
- (c) the borough committee would hire and fire teachers and head teachers and control curriculum and the day-to-day management of county schools. Voluntary-Aided Schools would be unaffected.

A similar allocation of powers has worked well enough for years between LEAs and the governors of Voluntary-Aided Schools.

A solution of this kind would meet the two principal arguments for preserving ILEA - equalisation of income between Westminster and Tower Hamlets, and the keeping together of Further Education

and other joint services. But it would give the borough quite a say in the management, character and performance of its local county (and voluntary controlled) schools.

A unique solution? Yes, but ILEA is a unique problem.

Obviously, further work would be needed to minimise the area of potential conflict. At this stage, we need only add to 2.20 some such sentence as:

X | "However, given the unique size of the Inner London area, it would be desirable to devolve as much responsibility for the management of schools within ILEA as possible to local communities. The Government will consider further how this might be most effectively done".

Savings and Transitional Costs (6.1)

Paragraph 6.1 is very feeble, particularly since officials have already estimated a saving of 3,000 to 9,000 on the 32,000 staff now engaged in services which are to be devolved to the boroughs and districts, and in central administration; ie a maximum saving of 30 per cent.

If we agree to adopt government manpower controls for the joint board services, we could then surely say something a good deal more firm and more precise, such as:

"It is estimated that considerable savings in manpower up to 9,000 posts could be made in those services which are to be devolved to the boroughs and districts, without harming standards of service provided. Government will expect boroughs and districts to realise the full potential savings, and will take account of this in assessing the appropriate levels of central government support for local government.

"In the case of those services which are to go to joint boards, the Government will assume the direct responsibility for making sure that staffing levels are adequate but not excessive".

Control of Joint Boards (6.6)

The main argument in favour of precept control alone is that manpower control as well would be an unwarranted interference in local democracy.

This is humbug. Detailed manpower control by central government was an accepted feature of local government for decades until the 1958 Act introduced the era of block grant. The Home Secretary still sets establishments for provincial police forces without being accused of trying to "take over" the police. Why should he not do the same for fire brigades? And why should not the Education Secretary do the same for teachers in ILEA? That would set a precedent, but most people would regard it as an entirely reasonable one, because most people can understand the difference between a manpower ceiling and detailed interference in management.

In fact, the abolition of the GLC/MCCs presents a golden opportunity to re-establish manpower control as a natural fulfilment of government's accountability for the huge sums of taxpayers' money that now disappear in the Rate Support Grant.

Elections in May 1985 (7.5)

I agree with you in preferring deferral. It is tidier and constitutionally more proper. Substitution would not really deny Ken Livingstone one year of dangerous liberty, since the most important services would still be under Labour domination with the embryonic joint boards.

FERDINAND MOUNT

fm