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10 DOWNING STREET

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From the Private Secretary

3 October 1983

Dear John,

Abolition of the GLC and MCCs: Draft White Paper

The Prime Minister took a meeting today to discuss the draft White Paper. Your Secretary of State, the Home Secretary, the Secretaries of State for Employment, Education and Transport, the Attorney General, the Chancellor of the Duchy of Lancaster and Lord Gowrie were present. Sir Robert Armstrong and Mr. Buckley also attended.

Your Secretary of State urged that it was important to publish the White Paper this week as there was intense interest in this subject - even more so than in rate limitation. It was essential to publish proposals before the Party Conference,

The meeting considered a number of issues which still needed to be resolved. On education in inner London, it was noted that the reference at the start of 2.20 gave too much endorsement to the status quo and it was agreed that it should be redrafted. The meeting then considered whether the review of the new arrangements should take place after four years. Two years was too short a period and three years was likely to coincide with an election. It was agreed that the best solution was to leave open the timing of the review.

It was suggested that the individual boroughs should be given a greater devolved role within ILEA and it was agreed that a sentence should be added to para. 4.20 along the following lines:-

"The Government will consider whether, within these general arrangements, ways can be found to increase the involvement of the individual boroughs in education in their areas."

The meeting then turned to the choice between precept control and manpower targets. The majority of MISC 95 had favoured precept control on the grounds that it was easier to define and enforce. It was argued that Departments did not have sufficient knowledge or resources to enforce detailed control over manpower,

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Against this it was argued that it was essential to control manpower separately as otherwise the joint boards would be able to keep manpower up while allowing the cuts to fall on politically sensitive areas such as books and equipment. It was agreed that there should be a place for targets for either manpower numbers or the pay bill though the choice could be left open at this stage. It was agreed that the second and third sentences of para. 6.6 should be redrafted along the following lines:-

"They therefore proposed that, for the first three financial years the joint boards should be subject to special control by the appropriate Secretary of State. In operating this control the Secretary of State will have power to specify levels of manpower or manpower expenditure."

It was agreed that the specified levels would relate to different categories e.g. teachers, technicians, etc., but that these need not be spelt out in the White Paper.

The meeting turned to a choice between deferring the 1985 elections and substitution i.e. allowing the councils to elapse when their mandate had expired and providing interim boards nominated from boroughs or districts. It was agreed that substitution gave the wrong flavour and that it was better to emphasise the transitional arrangements. There was advantage in creating an interim board from those who would subsequently be responsible. It was also easier to defend allowing a council to lapse naturally rather than extending its mandate.

It was agreed that para. 7.5 should be redrafted along the following lines:-

Transitional Arrangements

"Following the expiry in 1985 of the terms of office of existing GLC and MCC councillors it will be necessary to make transitional provisions until the new arrangements take effect. The Government proposes that the London boroughs and the metropolitan districts who will in due course appoint the members of the joint boards or inherit the powers which will be transferred to them, should nominate representatives to carry out the functions of the GLC and MCCs in the transitional period. These arrangements will be submitted separately to Parliament in the bill being introduced in the 1983/84 session,

On redundancy the meeting agreed the formulation proposed by your Secretary of State viz "The Government are, however, prepared to consider some improvement over the current general local government compensation terms for certain age groups",

On fire services - para. 2.19 it was agreed to redraft the opening sentence and to drop the last one.

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It was noted that transfer in groups might make it difficult to secure manpower savings. It was agreed that para. 4.3 should make clear that such transfer would be subject to the manpower controls.

The Prime Minister, summing up, said that the text of the White Paper should be amended to take account of the discussion. A new text should be circulated the following day.

I am copying this letter to Tony Rawsthorne (Home Office), Barnaby Shaw (Department of Employment), John Gieve (Chief Secretary's Office), Elizabeth Hodgkinson (Department of Education and Science), Mary Brown (Minister for the Art's office), Dinah Nichols (Department of Transport), Henry Steel (Law Officers' Department), Alex Galloway (Chancellor of the Duchy of Lancaster's office), and to Richard Hatfield (Cabinet Office).

Yours sincerely

Andrew Turner

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Department of the Environment,