

PRIME MINISTER

ABOLITION OF GLC/MCCs: BY-ELECTIONS

The origins of this meeting lie in Mr. Jenkin's report on the discussion at MISC 95 - see Flag A. The Lord President commented that this raised difficult issues and requested a meeting.

The main issue is that a time has to be set beyond which no by-elections are permitted. The choices for the deadline are:

- (i) Royal Assent of the Paving Bill, i.e. August/September 1984;
- (ii) Second Reading of the main Abolition Bill when Orders activating the Paving Bill are passed, i.e. January/March 1985.

Option (ii) is later and gives greater scope for trouble; but option (i) conflicts with the undertaking not to use the Paving Bill to introduce substantive measures which pre-judge abolition. MISC 95 preferred option (ii) despite the risks it involved.

The purpose of the meeting is to establish whether all the political angles of this choice have been investigated. You should ask the Lord Privy Seal, the Chief Whip and the Chairman to express their views. The aim should be to convince the Lord President that what is proposed is sensible and workable. The conclusion may well be to endorse Mr. Jenkin's proposal.

It is possible that the discussion will range more widely and take in the fundamental provision of the Paving Bill to suspend the regular 1985 local elections. The case for this was considered before the White Paper on "Streamlining the Cities" was issued:

/ (i)

- (i) If local elections are held in 1985 they will provide a ready-made platform for an anti-abolition campaign;
- (ii) If existing councils are allowed to run on for another year, they may well act obstructively. It is better to create transitional councils comprising borough nominees who will have a vested interest in working constructively.

The Government is really past the point of no return on this. No new arguments have been put forward to cause a change of view. I suggest that you do not encourage discussion of this, but if it is raised, argue that the case for and against suspending the elections was fully considered before the publication of the White Paper.

AT

6 March 1984

CONFIDENTIAL



NBPM AT 913

CC NO

Minister of State
for Local Government

Department of the Environment
2 Marsham Street London SW1

Telephone 01-212 3434

9 March 1984

Sean Patrick,

I have given further thought to the size of the transitional councils, in the light of responses to our consultation letter.

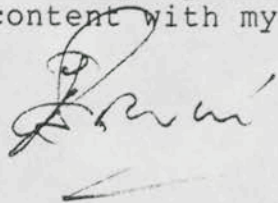
In the metropolitan counties there was a clear preference expressed in consultation for medium-sized councils of about 50 seats (compared with the present 88-106 members). It was felt that with councils of the existing size, the lower-tier authorities could well have difficulty in finding enough members willing and able to serve in the dual capacity of district/county councillors. I therefore propose halving - so far as is practicable - the present number of seats on each MCC and dividing them between districts in proportion to electorate. This should ensure that there is minority party representation on the transitional council in each area. The attached table shows the number of seats for each district.

In London, the choice lies between a small GLC (ie 33 members - one member per borough), a medium sized GLC (66 members - 2 per borough) and one of broadly the present size (ie 92 members). A small transitional council inevitably would give over-representation to the smaller boroughs and impose substantial burdens on the individuals nominated. A medium-sized council found no support in consultation. I therefore propose that we should go for a large transitional GLC. Nominations should however be based on Parliamentary constituencies, rather than present GLC electoral divisions, because that is the basis of the local party constituency associations. Each borough would be entitled to nominate as many councillors as it has Parliamentary constituencies, producing a slightly smaller GLC (84 members) than at present. I see no difficulty in defending differing arrangements in London and the metropolitan counties, given the differences in size and in the nature of the lower-tier authorities.

Members of the transitional councils will, of course, be treated for local government purposes as if they had been elected. The rules that apply to every other councillor - for example entitlement to allowances - will therefore apply. It also means that, neither deputies/alternates nor co-option to the councils themselves will be permitted (the present rules do of course permit co-option to committees other than finance committees), and that retiring GLC/MCC councillors would not be eligible for membership unless they were borough/district councillors. Each of these suggestions was made in consultation, but to accede to them would undermine our basic argument that the transitional councils will remain part of the local government system.

~~CONFIDENTIAL~~

/ I am copying this to colleagues on MISC 95, to the Prime Minister, the Chief Whip and to Sir Robert Armstrong. If I do not hear to the contrary by Friday 16 March, I shall assume that recipients are content with my proposals.



LORD BELLWIN

TRANSITIONAL COUNCILS: MEDIUM SIZE

SEATS AVAILABLE TO EACH METROPOLITAN DISTRICT

<u>Metropolitan district</u>	Seats on metropolitan county council	
	Present	Medium
<u>Greater Manchester</u>		
Bolton	10	5
Bury	6	4
Manchester	20	10
Oldham	9	4
Rochdale	7	4
Salford	12	5
Stockport	11	6
Tameside	9	4
Trafford	9	5
Wigan	13	6
TOTALS	106	53
<u>Merseyside</u>		
Knowsley	11	5
Liverpool	36	17
St Helens	11	6
Sefton	19	10
Wirral	22	11
TOTALS	99	49
<u>South Yorkshire</u>		
Barnsley	17	9
Doncaster	22	11
Rotherham	19	9
Sheffield	42	21
TOTALS	100	50
<u>Tyne & Wear</u>		
Gateshead	20	10
Newcastle	26	13
N Tyneside	18	9
S Tyneside	14	7
Sunderland	26	13
TOTALS	104	52
<u>West Midlands</u>		
Birmingham	40	20
Coventry	12	6
Dudley	12	6
Sandwell	12	6
Solihull	8	4
Walsall	10	5
Wolverhampton	10	5
TOTALS	104	52
<u>West Yorkshire</u>		
Bradford	19	10
Calderdale	9	4
Kirklees	16	8
Leeds	30	16
Wakefield	14	7
TOTALS	88	45

Local Govt: GLC + MCC

9 FEB 1984

11 2 3 4 5 6 7 8 9 10



DEPARTMENT OF EDUCATION AND SCIENCE
 ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH
 TELEPHONE 01-928 9222
 FROM THE SECRETARY OF STATE

NBPM

AT 29/2

Patrick Jenkin
 Secretary of State for
 the Environment

29 February 1984

Jim Patmil

ABOLITION OF GLC AND MCC's

I have seen Irwin Bellwin's letter of 24 February enclosing drafts of the two statements discussed in MISC 95(84) 1st meeting. I am broadly content with these two statements, subject to a small drafting point on the statement on staffing which has been discussed by DES and DOE officials.

I am copying this letter to Irwin Bellwin, the other members of MISC 95, the Prime Minister, the Lord President and Sir Robert Armstrong.

Irwin

Patmil

Local Gov Relations Pt 19

29 FEB 1984
11 12
1 2 3 4 5 6 7 8 9



10 DOWNING STREET

From the Private Secretary

28 February 1984

Abolition of GLC and MCCs: By-elections

The Prime Minister has seen your Secretary of State's minute of 20 February. She would like to consider more fully the political implications before taking a decision on the cut-off date for by-elections to the outgoing authorities. A meeting is being arranged with Ministers concerned. This has been fixed for 7 March.

I am copying this letter to Private Secretaries to members of the Cabinet, to Henry Steel (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and Richard Hatfield (Cabinet Office).

Andrew Turnbull

John Ballard, Esq.,
Department of the Environment.



S

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG
CABINET OFFICE

The Prime Minister was most grateful for your minute of 23 February on the handling of work on the abolition of the GLC and MCCs. She agrees that the best course is to allow MISC 95 to complete the current phase of its work and that the most appropriate time for a meeting with members of the Government from affected constituencies would be in late March after MISC 95 has produced its report and before final decisions by Cabinet.

The Prime Minister has noted your suggestion that members of the Government representing constituencies in the MCCs might also be consulted but feels that, rather than holding one meeting, it might be better to hold separate meetings for the GLC and MCC members of the Government. The purpose of these meetings would be to take stock when the detailed elaboration of the proposals in "Streamlining the Cities" had been completed and before final decisions were made. The Prime Minister has also noted the constraints imposed by the drafting timetable.

Andrew Turnbull

28 February 1984



10 DOWNING STREET

Prime Minister ⁽²⁾

A time has to be set beyond which no by elections in outgoing councils are allowed. Choices are:-

- (i) Royal Assent of Parry Bill
ie August (September 1984)
- (ii) Second Reading of main Abolition Bill when Orders activating Parry Bill are passed ie Jan - Mar 1985.

Option (ii) is late and gives greater scope for trouble; but Option (i) conflicts with undertaking not to use Parry Bill to pre-judge abolition.

MISC 95 preferred (ii). Before making up your mind I suggest you take advice from political specialists (Lord President, Chief Whip, Chairman). I have alerted all three to need to express a view.

mt

AT 29/12

(1)
PRIME MINISTER

ABOLITION OF GLC AND MCCs

When Lord Whitelaw came to see you last week, he expressed concern, though in an unspecific way, about the abolition policy. This emerged as doubts about whether the strategic questions were being adequately considered. It was noted, in this context, that the work of MISC 95 was concerned with the elaboration of detailed questions.

The suggestion was put forward that you might hold a meeting with the members of the Government representing London constituencies, since it was on the abolition of the GLC that Lord Whitelaw's concerns were most focussed. I was asked to seek the views of Sir Robert Armstrong. These are set out in the attached minute.

MISC 95 is indeed engaged on a number of detailed questions and not on strategy. This should not, however, be interpreted as a criticism of the work of the Committee. The strategy is supposed to have been set out in "Streamlining the Cities", and the purpose of MISC 95 is to put flesh on the proposals, taking account of views expressed in the consultation process.

Sir Robert points out that the natural timing for a meeting of Ministers would be when the present phase of MISC 95's work is complete. Ministers can then decide whether they like the look of what is on offer or whether they want to make changes. At this stage the point of no return would have been passed and detailed drafting would begin. Sir Robert identifies late March as the best time for such a meeting.

The next issue is the purpose of the meeting. Lord Whitelaw may be concerned not about the lack of strategic direction but about the policy itself. It would, however, be dangerous to hold a meeting which was overtly questioning the basis of

/ policy,

policy, and doubly so before the present phase of work is completed. Another purpose of such a meeting would be to corral support for the policy and to demonstrate to Lord Whitelaw (and the Chief Whip) that London members of the Government were fully behind it. While avoiding any suggestion that there are serious doubts about the basic direction of the policy, you may not want to give the impression that all adjustments are ruled out. A meeting could, therefore, be presented neutrally as a taking of stock.

On the composition of the meeting, Sir Robert suggests extension to members of the Government representing constituencies in the MCCs. In my view, this would cause the meeting to lose focus. I would prefer, if necessary, two meetings; one for the GLC and another for MCCs.

Agree that:

- (i) meetings be held in late March after MISC 95 has made its recommendations;
- (ii) separate meetings be held for the GLC and MCCs, each attended by the Lord President and the Chief Whip;
- (iii) the meetings be presented as stock-taking before final decisions are made and detailed drafting begins?

If you agree this approach, you may wish to discuss it with the Lord President and Chief Whip at your next meeting with them.

AT

Yes

24 February 1984

24



NBAM CC NO. ✓
AT 2412

Minister of State
for Local Government

Department of the Environment
2 Marsham Street London SW1

Telephone 01-212 3434

CONFIDENTIAL

24 February 1984

Dear Secretary of State

ABOLITION OF THE GLC AND MCCs

At the last meeting of MISC 95 it was agreed that I should circulate drafts of the statements proposed in papers MISC 95(84)1 & 3.

I now attach drafts of two written answers. I think we should handle the announcements in this way, given the difference audiences that we are aiming at. I have it in mind in particular, that we should be able to let the TUC have a statement which will be seen as broadly favourable to staff interests. In sending them this, we should, of course, have to refer to the staffing aspects of the obstruction statement; but I think that we can reasonably argue that these should be excluded from our further discussions with the TUC, given the fact that they are concerned with the future actions of the GLC/MCCs, and do not significantly impinge on the interests of their existing staff.

I should draw colleagues' attention to two further points.

First, if we are to act on the granting of new long-term contracts, I think we must also ensure that authorities cannot increase compensation liabilities by incorporating generous terms into either new or existing contracts. Paragraph 6 of the draft statement on obstruction deals with this point. The burden of the Attorney General's advice is that we could disapply existing contractual rights only at the risk of falling foul of the European Convention on Human Rights. We must, therefore, honour such rights; but, equally, we should act to disallow any better terms which might be granted after the date of the announcement.

Second, I should stress the limited nature of the staffing statement. Our main purpose in making this is to give the staff some reassurance that their interests have not been forgotten, and in particular to announce the early establishment of the Staff Commission. I hope that, on the basis of a statement of this kind, we can begin some sort of dialogue with the TUC Local Government Committee. I appreciate, of course, that there are many other points relating to staff matters; but, on these, I do not think that we have anything to add at present to what is said in the White Paper.

We should, I think, make these statements as soon as possible; I should, therefore, be grateful for any comments from colleagues by close of play on Tuesday 28 February.

CONFIDENTIAL

I am copying this to the other members of MISC 95, to the Prime Minister and the Lord President, and to Sir Robert Armstrong.

Yours sincerely

Gareth James (Private Secretary)

LORD BELLWIN

approved by the Minister and signed in his absence.

RAFT WRITTEN ANSWER BY THE SECRETARY OF STATE ON OBSTRUCTION TO ABOLITION POLICIES

Q. To ask the Secretary of State for the Environment whether he is satisfied with the existing constraints on actions by the GLC and the Metropolitan County Councils which might create problems for other authorities after the proposals in the White Paper "Streamlining the Cities" (Cmnd 9063) have been implemented?

1. I am aware that there is some concern about the possibility that action by the Greater London Council and the metropolitan county councils could adversely affect successor authorities and ratepayers. I am sure that the councillors concerned will be concerned to obey the law, to act responsibly, and to have regard to their responsibilities to the ratepayers. Moreover, the existing legal framework imposes some constraints on the actions of authorities; and we propose three further measures.

2. A London borough or metropolitan district council can themselves seek to question the actions of the GLC or the metropolitan county council that precepts upon them by applying for judicial review. Applications can also be made by any person with an interest, for example, councillors, ratepayers, and non-ratepayers resident in the area concerned. If the court accepts that the application is well-founded, and considers it in the public interest to do so, it will issue an order prohibiting the action or make a declaration that it is illegal.

3. In addition, under sections 19 and 20 of the Local Government Finance Act 1982, the auditor, acting on an objection by an elector or on his own initiative, may seek a declaration from the court that expenditure is unlawful or that there has been loss due to wilful misconduct. It would then be open to the court to surcharge the local authority members responsible and to disqualify them from membership of a local authority. An elector for the area may also bring surcharge action if the auditor decides not to act following an objection by that elector.

4. To meet the concerns expressed by some of the successor authorities, we propose to include in the Bill to be introduced this session a provision requiring the GLC and the Metropolitan County Councils to consult the borough and district councils in their areas before fixing their budgets and precepts for 1985/86. These will, of course, be implemented by the transitional councils; and it is appropriate that the boroughs and districts who will appoint the members of these councils should be given an opportunity to express views on the financial situation which they will inherit.

5. We propose also, to give the London borough councils and the metropolitan district councils the same rights as electors have to object at the audit of the accounts of the GLC or the appropriate metropolitan county council. The borough and district councils will also be empowered to take action in the courts if the auditor decides not to do so. Such action could lead to surcharge and disqualification. These extended rights will apply only to the audits of the accounts for the years 1983/84 to 1985/86.

6. Finally, we shall include in the main abolition Bill, to be introduced next Session, two provisions concerning staff contracts. The first will ensure that any fixed-term contract of employment with the GLC or an MCC which is entered into after [date of statement], and which is to expire on or after 1 April 1986, will have effect as a contract which will terminate on 31 March 1986. The second will ensure that any terms which are incorporated into existing or future contracts of employment after [date of statement] and which relate to compensation for redundancy or detriment will have no effect where they would entitle an employee to an amount greater than that provided for, in due course, in the main abolition legislation.

7. These provisions will not affect the terms of existing contracts of employment. Thus, where staff have already been given fixed-term contracts with the reasonable expectation that they would run their full term, we shall provide for them to be compensated if they do not get jobs with the successor bodies. Similarly, any provision relating to compensation for redundancy or detriment already included in an existing contract of employment will be honoured.

8. I believe that members of the GLC and the metropolitan county councils will recognise that it is in the interests of their ratepayers and of their staff that they should act responsibly. But the measures I have outlined, together with the existing legal constraints, provide safeguards should any of the authorities concerned consider taking irresponsible action.

CONFIDENTIAL

DRAFT WRITTEN ANSWER BY SECRETARY OF STATE ON STAFFING ASPECTS OF
ABOLITION OF GLC/MCCs

QUESTION

To ask the Secretary of State for the Environment, whether he has anything to add to the proposals in the White Paper "Streamlining the Cities" (Cmd 9063) on the implications of his plans to abolish the GLC and the MCCs for staff at present employed by those authorities.

ANSWER

1. I have had two useful meetings with the TUC's Local Government Committee. Detailed discussions have not yet begun on the proposals in Chapter 4 of the White Paper; but there are three matters on which I can provide further details of the Government's intentions.
2. First, I recognise that a Staff Commission will have a particularly important role to play in this reorganisation. There has been widespread support for its establishment at the earliest opportunity. I propose therefore to include provision for such a body in the Bill to be introduced in the current session. This will enable the Commission to begin more quickly the process of consultation with interested bodies, and to provide me with general advice on staffing issues.
3. In previous reorganisations Staff Commissions have supervised ring-fencing arrangements. Such arrangements do not require successor bodies to recruit; they do, however, ensure that, if they decide to do so, they have to look first at candidates from the expiring authorities. One of the Commission's early tasks would be to consider the introduction of ring-fencing arrangements to ensure that GLC/MCC staffs affected have a proper opportunity to obtain jobs with the new authorities.
4. Second, I propose that any compensation for detriment - where an employee moves to a new job on lower terms and conditions - will be paid in the form of a lump sum; we intend to consult on the detailed arrangements for determining this. We accept, also, that the costs of this compensation should not be borne by individual boroughs and districts who take on former GLC/MCC staff, but should

CONFIDENTIAL

be recouped from the ratepayers of each metropolitan area as a whole.

5. Third, there has been concern that some authorities might give staff artificial pay increases or regradings in the lead-up to abolition. This would be unfair: it would lead to inequitable treatment between staff. I intend, therefore, to include a provision along the lines of section 261 of the Local Government Act 1972 in the Bill to be introduced in the next session. This would enable me to appoint a body to look into cases of alleged unjustified increases made after [date of statement] and to advise me. I would be able to act on that advice and direct an authority to withdraw an increase found to be unjustified. The following note sets out this proposal in more detail.

6. This will not, of course, preclude authorities from paying temporary personal pay supplements to staff with considerably increased responsibilities. We recognise that, in the transitional period, some staff will need to be working on arrangements for the successor bodies; and, as in 1974, such additional responsibilities should be rewarded.

7. I hope that both employers and unions will come and discuss with us the proposals which I have outlined today and other matters of concern. It is clearly in the interests of the staff concerned that these matters are settled as soon as possible.

PROPOSED ABOLITION OF THE GREATER LONDON COUNCIL AND THE
METROPOLITAN COUNTY COUNCILS: MEASURE TO PREVENT UNJUSTIFIED
INCREASES IN PAY/GRADING

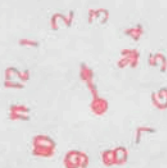
1. In earlier reorganisations, particularly the reorganisation of London Government in 1964, some local authorities awarded extensive increase in pay or accelerated increments, or upgraded their staff when in the ordinary course of events this would not have been justified, so that these staff gained advantages in competing for jobs with the new authorities, or in claiming compensation for redundancy or for loss of remuneration on transfer to the new structure.
2. In 1969, the Royal Commission on Local Government in England (Cmd 4040) took the view that steps should be taken to safeguard against such inequitable action; a power to prevent abuses was subsequently included in the legislation for the 1974 reorganisation. This was section 261 of the Local Government Act 1972.
3. Concern has been expressed that artificial increases in pay/gradings might occur in the period leading up to the Government's proposed restructuring of local government in London and the other metropolitan areas. Wherever they occur, such increases are unfair. Not only do they place some staff at an advantage over others, but they place unreasonable burdens on ratepayers. The Government proposes therefore to include a provision on the lines of section 261 of the 1972 Act in the Bill to abolish the GLC and the MCCs which will be introduced in the next session.
4. The measure will apply to local increases in remuneration of staff (other than teachers) in any authority affected by the proposed reorganisation (including both the authorities to be abolished and the London boroughs and metropolitan districts) which come into effect after As in 1974, it is not the intention to interfere with the normal established practice of regrading reviews nor with the justifiable provision of extra payments for any unusual burdens of work or responsibilities. Nor will the provision interfere in any way with the normal negotiating

arrangements under which general increases in local authority remuneration are determined.

5. The provision will include:

- (i) a power for the Secretary of State to designate/appoint an advisory body to look into cases of alleged unjustified increases in remuneration;
- (ii) a power for the Secretary of State to instruct an authority to supply information necessary for the advisory body to carry out its statutory responsibilities;
- (iii) a duty on the advisory body, where it finds that an unjustified increase has taken place, to recommend to the authority concerned a more suitable rate of remuneration;
- (iv) a power for the Secretary of State to direct an authority to implement the advisory body's advice;
- (v) a duty on authorities to comply with such a direction; and
- (vi) arrangements to ensure that any late increases awarded by the expiring authorities immediately before 1 April 1986 which have not been investigated by that date, can be dealt with.

24 JAN 1984





B

3

Ref. A084/615

PRIME MINISTER

Abolition of the Greater London Council and
Metropolitan County Councils

Mr Turnbull sent me a copy of the record of your talk with the Lord President on ^{with FRB} 13 February about the abolition of the Greater London Council (GLC) and Metropolitan County Councils (MCCs) and said that you would welcome advice on the proposal that you might have a meeting with those members of the Government representing London constituencies to discuss whether the Government was following the right course and, if it was, how support for the policy could be reinforced. You particularly wanted to consider this suggestion in the light of the progress of work in the Ministerial Group (MISC 95).

2. Following the end of the consultation period on the White Paper "Streamlining the Cities" the Secretary of State for the Environment envisages a further round of discussions in MISC 95.

--- I attach a copy of a letter which he sent on 13 February to the members of the Group and to other Ministers who might have an interest. As you will see, he expects that the main issues will arise on the future arrangements for the handling of particular services, on which he intends to put a paper to MISC 95 by mid-March. Later in March MISC 95 will be making its final recommendations in the light of consultations on the White Paper to you and members of the Cabinet so that decisions can be taken in time for the drafting of the Bill to start in April.

3. I should like to put two other considerations in your mind:

(a) The Department of the Environment and the other Departments concerned in this affair are having to make their bricks with a great deal less straw than they have had available to them in the case of previous reorganisations of local government. I gather that the formal consultations have produced little by way of constructive comment; and local government officials have been forbidden to co-operate



with Government officials in this exercise, and such contact as there has been has had to be surreptitious. Virtually the only outside help has come from Conservative councillors. This could well strengthen the case for giving members of the Government with constituency interests a chance to express their views.

See letter from
First Parliamentary
Counsel at
Annex A

(b) First Parliamentary Counsel has warned that, if drafting cannot start until April, there will be no chance of having a Bill ready before Christmas. The timetable has slipped a little, and it will be important that it should slip no further, if the Bill is not to run a serious risk of disrupting the legislative programme in a major way.

4. My comments on the suggestion that you might have a meeting with those members of the Government representing London constituencies are as follows:

(a) I wonder whether it would be right to confine the meeting to Greater London. Although the Lord President is more concerned about the case for the abolition of the GLC than that for the abolition of the MCCs, not everyone would see it that way. Leaving aside the special case of the Inner London Education Authority, the GLC, which has no police functions, already has fewer functions than the MCCs and will have even fewer following the passage of the London Regional Transport Bill. Although there are some arguments that are peculiar to London (eg the alleged need for a body to speak for London) the main arguments apply just as strongly to the MCCs. I would suggest therefore that the meeting might be widened to include members of the Government representing constituencies covered not only by the GLC but also by the MCCs.

(b) The purpose of the meeting would need to be clearly understood. Unless the Government seriously intends to go back on its commitment to abolish the GLC and the MCCs (which was of course taken in full knowledge that there would be strong opposition and that complex arrangements would have to be made for the future handling of particular



services), it would be undesirable to give any hint of a weakening of resolve on the main issues. The basis of the meeting might be that the Ministers primarily concerned were seeking advice from those with local knowledge on important points of detail thrown up the the consultations - both as to how those points might best be resolved and as to how the case for the Government's proposals might best be promoted.

(c) It would be preferable not to have the meeting until after MISC 95 has had an opportunity to discuss the outcome of the consultations and to make its recommendations to you and other members of the Cabinet. This would enable you to identify more clearly the matters on which local advice might most usefully be sought and on which it is most important to secure local understanding and support for the Government's policies. The ideal time for a meeting might indeed be in late March, following submission of the MISC 95 report but before final decisions are taken.

CONQUEROR
RTA

ROBERT ARMSTRONG

23 February 1984



COMPTON



CONFIDENTIAL

9

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

CABINET OFFICE	
A	1118
13 FEB 1984	
FILING INSTRUCTIONS	
FILE NO.	13214

cc- Mr. Gregson
Mr. Buckley
Mr. Potter

My ref:
Your ref:

13 February 1984

Dear Lear,

ABOLITION OF GLC AND MCCs

We have now reached the end of the consultation period on our White Paper "Streamlining the Cities". I thought it would be useful to let you and other colleagues know broadly how I propose that we should deal with the results of consultation and move on to the preparation of the main legislation.

Officials have already put in hand the preparation of a comprehensive analysis of the responses on all aspects of our proposals. This will require contributions from all the interested departments but it is not intended to preclude any particular analysis that you might want for your own purposes.

Leaving aside the opposition to abolition per se, the main pressures to which we will have to respond will be for special arrangements for particular services. I believe that we can only consider these effectively against an overall assessment of the future arrangements in London and the metropolitan counties. I therefore intend to invite colleagues in MISC 95 to consider, not later than mid-March, a major paper reviewing the options available for the reallocation of functions, and inviting them to take decisions on the principles that should apply to the consideration of individual services and functions. We can then move on either in MISC 95 or bilaterally to consider those specific more detailed decisions.

This should allow us to settle those issues that are central to the drafting of the Bill by around the end of March. I believe it is essential for us to do this if we are to provide Instructions to Parliamentary Counsel in April so that a Bill can be ready for introduction at the beginning of the new Session. There are, of course, other issues on which decisions will be needed - for example, we have a meeting of MISC 95 arranged for 15 February to deal with obstruction/staffing matters and the Paving Bill - but these can be dealt with in parallel. It is vital that, once we have settled the Paving Bill, we concentrate on the points that determine the overall shape of the main legislation.

This is a wide-ranging exercise and it can only be handled successfully with the full cooperation of all those concerned. In assessing the response to the White Paper and in drafting

CONFIDENTIAL

CONFIDENTIAL

Instructions, my Department must rely on those who have the detailed knowledge of individual functions. I must therefore stress the importance of ensuring that the necessary detailed work is put in hand urgently. My officials will be asking for material from other Departments, sometimes against very tight deadlines. I would ask you to ensure that every effort is made to provide the extensive and detailed contribution we shall need at all stages from now on.

I am copying this to the other Members of MISC 95, to those others with Departmental or general interest, Quintin Hailsham, Willie Whitelaw, John Biffen, Nicholas Edwards, George Younger, Arthur Cockfield, Michael Jopling, Michael Havers, John Wakeham and Gray Gowrie and to Sir Robert Armstrong.

Yours ever
Patrick

PATRICK JENKIN

CONFIDENTIAL



PRIME MINISTER

ABOLITION OF THE GREATER LONDON COUNCIL AND METROPOLITAN
COUNTY COUNCILS: BY-ELECTIONS

The Ministerial Group on the Abolition of the Greater London Council and the Metropolitan County Councils (MISC 95) met under my chairmanship on 15 February. The only conclusions of the Group to which I think I should draw your attention concern by-elections.

The Local Government Act 1972 requires a by-election to be held within six weeks of a vacancy arising, except in the six months leading up to the ordinary election to a council. During those six months, no by-elections are held except:

- (a) those for vacancies arising before the beginning of the period: or
- (b) if more than one-third of a council's seats are vacant.

Without special legislative action the opponents of abolition would be able, by mass resignations, to force a concerted series of by-elections at a time calculated to embarrass us. Abolition would be presented as the central issue of the campaign. Obvious times for this would be just before Second Reading of the main Abolition Bill, or in May 1985.

There is no way of blocking this possibility altogether. Even if we legislated immediately to prevent it, the opponents of abolition could stage their resignations before the legislation received Royal Assent. Nevertheless, the Group considered that the potential embarrassment from a campaign of by-elections, at a time of our opponents' choosing, was sufficiently great to make it desirable to restrict the period in which such a campaign could take place.



The greatest restriction would be achieved by precluding by-elections, other than those already pending, from the date of Royal Assent to the Abolition Paving Bill: the last date for mass by-elections would then be August/September 1984. However, this would be difficult to square with our general philosophy that the passing of the Paving Bill will not prejudice the principle of abolition. It could also trigger mass by-elections in the Summer, when we may not be in the best position to defeat the anti-abolition arguments.

The alternative which MISC 95 favoured was to bring the provision into force when the main provisions of the Paving Bill take effect, that is, immediately after the main Abolition Bill has received Second Reading. This approach could be presented as consistent with the precedents of the 1965 and 1974 reorganisations, when by-elections were stopped after Royal Assent to the reorganisation legislation. It would not prevent our opponents from organising mass resignations and consequent by-elections up to about January 1985, and perhaps as late as March 1985 if Second Reading of the Main Bill slipped. But by then we should have presented our full proposals, in detailed legislation, and should be in a good position to win any electoral debate.

If such provisions are to be effective they must operate even if more than one-third of a council's seats are vacant: otherwise, our opponents have enough seats in all the abolition authorities to be able to force mass by-elections at any time.

In short, MISC 95 concluded that we should:

- (a) include in the Paving Bill a provision that no further by-elections should take place, other than those already pending on the operative date, even if the result is that more than one-third of a council's seats are vacant:
- and



(b) provide that the operative date for this provision should be the order bring into effect the main provisions of the Paving Bill. *12.*

I am sending copies of this minute to the other members of the Cabinet, the Attorney General, the Chief Whip and Sir Robert Armstrong.

PJ

P J

20 February 1984

ce NO

CONFIDENTIAL



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

20 February 1984

Dear Robin,

Abolition of the GLC and MCCs

I enclose a letter which First Parliamentary Counsel has sent the Lord President in which he says that it is impossible to guarantee that the Bill to abolish the GLC and the metropolitan county councils will be ready for introduction before Christmas.

The Lord President feels that, in view of the talk he had with the Prime Minister last Monday, she should see this letter.

Yours ever,
Janet.

JANET A LEWIS-JONES

Robin Butler Esq

CONFIDENTIAL

CONFIDENTIAL

c Mr Bearley

Office of the Parliamentary Counsel 36 Whitehall London SW1A 2AY

Telephone Direct line 01 273 5288
Switchboard 01 273 3000

16 February 1984

Lord President of the Council
Privy Council Office
Whitehall
SW1A 2AT

Dear Lord President

ABOLITION OF GLC AND MCCs

You will have seen a copy of the Secretary of State for the Environment's letter of 13 February from which it appears that he is preparing for MISC 95 "a major paper reviewing the options available for the reallocation of functions" with a view to getting "those issues that are central to the drafting of the Bill" settled "by around the end of March" as an essential preliminary to sending us Drafting Instructions in April - the aim still being to have the Bill ready for introduction at the beginning of next Session.

I enclose a copy of a letter which I wrote to Sir Robert Armstrong in January 1983 in which I pointed out the magnitude of the task and mentioned that, in the case of the London Government Act 1963, the first drafting instructions were delivered on 1 December 1961, nearly 12 months before the Bill was introduced on 20 November 1962.

In the course of last year I was given to understand that a first instalment of Drafting Instructions would, if possible, be sent in December. The bid for the Bill, both as originally included in QL(84)2 and as now up-dated, says "Instructions Framework by end-January; full Instructions probably by end-March. Introduction Late October-early November." It is now mid-February and the promised "framework" instructions have not yet arrived - and the

CONFIDENTIAL

CONFIDENTIAL

Secretary of State's letter speaks of sending Instructions to Parliamentary Counsel "in April".

In these circumstances it is in my view impossible to guarantee that the Bill will be ready for introduction before Christmas, let alone in November. In order to be ready by November it would need to be, roughly speaking, two-thirds drafted by the end of July. Even if some "framework" instructions are delivered by the end of February, it is unlikely that these will enable drafting to progress very far, since the bulk of the Bill is concerned with the destination of the various functions of the bodies to be abolished.

I am sending copies of this letter to the Lord Privy Seal, Mr Jenkin and Sir Robert Armstrong.

Yours sincerely
George Engle

GEORGE ENGLE

CONFIDENTIAL

CONFIDENTIAL

Office of the Parliamentary Counsel 36 Whitehall London SW1A 2AY

Telephone Direct line 01 273 5288
Switchboard 01 273 3000

Sir Robert Armstrong G.C.B. C.V.O.
Cabinet Office
70 Whitehall
London SW1A 2AS

14th January 1983

LOCAL GOVERNMENT CHANGES

Paragraph 5 of the Home Secretary's memorandum to the Cabinet dated 13 January 1983 (C(83)1) says that legislation to abolish the GLC and the Metropolitan Counties could probably be ready for introduction early in 1984 provided that preparations begin and ^{announcements} ~~amendments~~ are made soon. Nobody has consulted me about this prognostication, which strikes me as extremely dubious.

London, even without the Metropolitan County Councils, is always an immensely complex topic, and a Bill of this character will necessarily involve the Department of the Environment in a great deal of time-consuming consultation with other departments (for example Health and Social Security, the Home Office, Education and the Treasury) as well as with local authorities. It is pertinent to recall that, in the case of the London Government Act 1963, the first drafting instructions were delivered on 1st December 1961, nearly 12 months before the Bill was introduced on 20th November 1962.

Michael Ware tells me that work on the preparation of drafting instructions has not yet started on the legal side of the Department of the Environment, and confirms that contributions to the instructions will have to come from a number of other departments. He does not

CONFIDENTIAL

CONFIDENTIAL

see how anything approaching full instructions could be ready before August. Introduction early in 1984 is thus, as far as he or I can see, not within the bounds of practical possibility.

I am sending copies of this letter to Michael Ware and John Halliday.

GEORGE ENGLE

CONFIDENTIAL

LOCAL GNT. Relation
pp 16

20 JAN 1984





NBPM

BT

14/2

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213... 6400.....

Switchboard 01-213 3000

The Rt Hon Patrick Jenkin MP
 Secretary of State
 Department of the Environment
 2 Marsham Street
 LONDON
 SW1

14th February 1984

I am unable to come to tomorrow's meeting of MISC 95 but have some points on the paper on staffing issues (MISC 95(84)3), I would like to make.

I understand the pressures on colleagues in DOE to expand on - and improve on - the White Paper's proposals affecting staff. I do not think however that the Government should lose its nerve under such pressures, or let itself be persuaded that the package we intend to offer is ungenerous. Relatively inexpensive further improvements that will keep staff happy and redundancy costs down - like early establishment of the Staff Commission and "ring fencing" - should certainly be adopted. But there are already some heavy "bottom-line" costs in other areas and the more we enhance the terms in these areas the more difficult it will be to show savings from the abolition exercise and retain its credibility with the public - particularly GLC and Metropolitan County ratepayers.

Taking redundancy compensation first, having read all the arguments in the paper I still do not believe that that is or will be a case for going beyond normal local government terms (except to stretch to NHS terms for 41 - 49 year olds). According to Table 1A attached to the paper, the total cost of normal local government terms is £240m (excluding redundancy rebate, which is also a charge on public expenditure). Since local government terms are the lowest option illustrated, it is worth noting again that they are far better for most of the staff likely to be affected than the basic statutory minimum redundancy payments many in the private sector have to settle for, and which would have cost less than £23m, including rebate, for the 8,000 staff illustrated. The suggestion that privatised civil servants will receive better terms is less relevant, in my view, to redundancy compensation than to detriment payments.



I have reservations too about the proposed "plus payments". Arrangements based on what was done in 1974 have been rejected as regards redundancy compensation and could be here as well. It is not clear either by sensible precautionary measures to control what would be by definition, excessive salary increases or promotion need to be "balanced". I do agree however that a Section 261-type control power should be announced, and included in the Main Bill.

I am content with all the recommendations in the other two papers, MISC 95(84)1 and 2.

I am copying this to those attending the meeting, the Prime Minister, the Secretaries of State for Scotland and Wales, the Chief Whip and to Sir Robert Armstrong.

Lv

lv

Local Govt PT 19

Relatias

