



file

CFPPA R118

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

31 July 1984

Dear Margaret,

Last week I wrote to you about our proposals for the 1985/86 Rate Support Grant Settlement and about the first list of high spending councils selected for rate capping under the Rates Act 1984.

This letter is about our other main local government commitment - our Manifesto pledge to abolish the Greater London Council and the six metropolitan county councils.

Last October, the Government published its proposals in a White Paper "Streamlining the Cities (Cmnd 9063)". There followed a full consultation on the details of our proposals and the Government has carefully considered the very large number of responses to the White Paper. Over recent months the Government has announced a number of changes in the arrangements set out in the White Paper in order to meet some of the very fair points put to it in the responses. Many of these changes have been widely welcomed - not least the proposal for a directly-elected Inner London Education Authority, the proposals for protecting spending on the arts, on sport and on grants to voluntary organisations and the proposal to allow district and borough councils to secede from the joint boards if a strong enough case can be made out.

The Government has now reached decisions about the future of virtually all the services currently provided by the GLC and the metropolitan counties. My Department is therefore publishing today a comprehensive paper setting out our proposals in detail. Copies will be available in the Vote Office.

There are 3 points I would like to make about the publication of this document.

First, it re-affirms our determination to press ahead with abolition and to fulfil our Manifesto commitment. The proposals it contains will form the basis of the legislation which the Government intends to introduce early in the next session of Parliament; and, subject to Parliament, abolition will take effect on 1 April 1986. The Paving Bill preparing the way for abolition has now passed through all its stages in Parliament and will receive Royal Assent before Parliament rises tomorrow.

The abolition of this tier of local government is both right and necessary. The few functions which these huge authorities retain simply do not add up to a package of responsibilities sufficient to justify their continued expensive existence. Their functions can be discharged more effectively and economically by the London boroughs and district councils, acting either individually or jointly.

Second, publication of the document meets the criticism that we have not made clear our proposals on the arrangements to follow abolition. My covering statement makes it clear that the preparation of legislation to give effect to these proposals is now well advanced.

Third, the proposals in the document demonstrate that the majority of services are being transferred direct to the London boroughs and the metropolitan districts. Education in Inner London apart, only those few services which cannot be operated by the boroughs and districts on their own account - the fire service in London and police, fire and public transport outside London - will be run by joint boards of boroughs or districts. Membership of the boards will consist of elected councillors appointed by and answerable to the boroughs or districts concerned - not Ministers. Joint boards are not quangos.

SAVINGS

I well understand the desire to get some hard figures about the savings which will accrue from abolition. There will be substantial savings from the scrapping of a whole tier of local government; but exactly how big those savings will be depends not upon central government, but upon how the 69 boroughs and districts choose to organise and operate the services they inherit. They alone can estimate with any accuracy the savings to be made and to do that they need information about services from the seven authorities to be abolished. That has not been forthcoming. Some boroughs and districts have made provisional estimates which have been very encouraging. These point to overall savings of well over £100m; but until the abolition authorities provide the figures the estimates must remain provisional. The Paving Bill contains powers to require these bodies to divulge the necessary information.

CONCLUSION

There has been a great deal of highly misleading - and sometimes downright false - propaganda about our proposals put about at great expense (to the ratepayer) by the abolition authorities. It is now very important that we counter this campaign. The arguments for abolition remain as strong as they ever were. They need to be deployed forcefully and continuously. Ministers will play a full part in this and on the Party net I am pursuing a number of initiatives in the areas concerned. Now is the time for us to go on the offensive. I hope very much that we can count on your support to win public approval for our plans.

Your ever
Patrick

PATRICK JENKIN