

22 November 1984

(2)
PRIME MINISTER

cc Mr Sherbourne
Mr Ingham

GLC/MCC ABOLITION: POLITICAL DEVELOPMENTS MB

There are likely to be a number of unfortunate developments during the next few days.

The Tory Reform Group is preparing a pamphlet opposing abolition. It will probably appear on Monday 26 or Tuesday 27 November.

Weekend World is planning a programme with Kenneth Baker for Sunday 25 November, which will probably be extremely hostile, portraying the Joint Boards as a flop.

Derek Fatchett MP is intending to put down an all-party early day motion on the recent (unfavourable) PA report.

Charles Morrison MP is attempting to organise a meeting of Conservative backbenchers against abolition.

The MCC campaign liaison committee has engaged the services of Biss Lancaster, a highly professional PR agency. New efforts are being made both to gain media coverage for the MCC case and to brief selected members of the House of Lords.

We are alerting DoE, but you may wish to consider taking action of your own to limit revolts on the backbenches of both Houses, while the propaganda is at its height.

Janet Evison.

pp. OLIVER LETWIN

Prime Minister (2)

20 November 1984

AT 20/11

MR TURNBULL

ms c Mr Sherbourne

CASH FOR ADVERTISING ON LOCAL GOVERNMENT

I have checked on the assertion in my recent minute that £100,000 was available for a Party advertising campaign. The details are as follows:

- i. Tim Bell has obtained fairly firm promises of £100,000 to fund a campaign against the GLC/MCC propaganda.
- ii. The prospective donors, who are anonymous at present, want to give the money not to the Government or the Party, but rather to some specially formed group of Conservative councillors or other proponents of abolition.
- iii. Tim Bell and Central Office officials have talked to Ken Baker, and are now looking for some allies who might form a group suitable to receive the money.

Oliver Letwin

OLIVER LETWIN

Local Govt file

THIS TRANSCRIPT WAS TYPED FROM A TELEDIPHONE RECORDING AND NOT COPIED FROM AN ORIGINAL SCRIPT: BECAUSE OF THE POSSIBILITY OF MIS-HEARING AND THE DIFFICULTY, IN SOME CASES, OF IDENTIFYING INDIVIDUAL SPEAKERS, THE BBC CANNOT VOUCH FOR ITS ACCURACY.

A Party Political Broadcast
For

The Conservative Party

RECORDED FROM TRANSMISSION:

2100

BBC-1

DATE:

28th November, 1984.

VOICE OVER: In 1964 a birth took place on the banks of the River Thames. It was a big baby, it was intended to be responsible for a large range of essential services across London. It was the GLC, the Greater London Council. By 1979, it was clear that in practise it wasn't working too well. The Marshall Report tried to find a useful function for the GLC, but even then, there was one man who believed that the GLC should go:-

KEN LIVINGSTONE: I regret that Marshall did not push on and say, abolish the GLC, because I think it would have been a major saving and would have released massive resources. I do not believe that you need tiers of local government.

V/O: The speaker was Ken Livingstone, in a debate on the GLC in March, 1979.

KENNETH BAKER MP: Well, what had gone wrong ? Simply that although the baby had grown and grown, the things it was doing had become fewer and fewer. The running of London's ambulances had been handed over to the National Heath Service. London's sewage services had been handed over to the Thames Water Authority, and by 1982, even the GLC's council housing had been handed over to the local boroughs.

When that decision was being taken, a member of the GLC said this:-

LIVINGSTONE: If the housing role of the GLC is virtually obliterated which is basically what we are moving towards in this council, I fail to see what role there is for this body at all.

V/O: The speaker was Ken Livingstone, before he had took power, of course.

BAKER: 12 year's ago, the GLC was responsible for London's ambulances, buses and tubes, its council housing had made it one of the largest land-lords in the Western world. Today, it no longer runs any of these services, yet it is now spending much more money. So what does it spend its money on, what services does it provide ?

: That's a good question, I'm not sure I could actually list them.
: The ambulance services, that's one. The hospitals, that's two.
: Libraries, well Social Services.
: Police, ambulances and stuff like that, I think they just really rule London.

BAKER: The fact is, none of the services you've just heard mentioned come under the GLC. The GLC doesn't run London's water or police services. It doesn't run hospitals or libraries, it doesn't provide Meals-on-Wheels, or Home Helps.

It doesn't collect refuse. It has very little to do with London's highways or London's planning. It no longer runs London's buses or tubes and is not responsible for education in most of London. In fact, the only major service that the GLC is responsible for is the Fire Brigade. So what is the GLC doing with its money now. I'll give you some examples; It has given tens of thousands of pounds to organisations whose sole purpose is to house the police. It's given hundreds of thousands more pounds to groups like these. And it is spending ten million pounds of rate-payers' money to tell them how much they will miss the GLC. But they won't miss it at all. Ken Livingstone likes to talk about democracy, but it is under Ken Livingstone that Londoners have had no say, they've just had to pay.

On March 31st, 1986 the GLC will cease to exist. The decision on how London's money will be spent will be given back to the 32 London Borough Councils, where London's voters will decide just how they want their services to be run. And you know, this shouldn't displease Ken Livingstone because two year's ago, even after becoming Leader of the GLC, he said this:-

LIVINGSTONE: I believe that we should on principle have a system in which Government is done at the lowest possible, the level closest to people, by borough councils in the Metropolitan areas.

BAKER: Well I couldn't agree more and that's exactly what we will achieve when the GLC goes. I want to make one final point. Do you remember those people we asked to say what the GLC does? Well the only people we filmed were those in favour of keeping the GLC. And even they couldn't tell us what the GLC does. The truth is, the GLC is not essential to London. I've been through all the facts and all the figures, and one thing is clear, London will be run a lot better and for less money when the GLC is gone. Maybe some people will miss Ken Livingstone, but I promise you, no one will miss the GLC.

GUIDE TO THE BILL

ABOLITION OF GLC AND MCCS

Part I of the Bill provides that the GLC and MCCs shall cease to exist on the "abolition date", defined as 1 April 1986.

TRANSFER OF FUNCTIONS TO BOROUGH AND DISTRICT COUNCILS AND OTHER EXISTING AUTHORITIES

Part II of the Bill, together with Schedules 1 to 8, deals with the transfer of those functions of the GLC and MCCs which are being passed to existing authorities. Generally, functions passed to London boroughs are also passed to the Common Council of the City. The Bill deals explicitly with those functions conferred in the GLC and MCCs by public primary legislation. Functions under secondary legislation or local Acts will be dealt with by order. These arrangements are in accordance with the precedent of previous reorganisation legislation.

The limited functions of the GLC and MCCs relating to development control (including control of mineral extraction) are to be passed to the boroughs and districts (clause 3). The present two-tier system of development plans is to be replaced in the metropolitan areas by a system of all-purpose plans, to be known as "unitary development plans", which will be drawn up by the boroughs and districts, within the wider context of any strategic guidance issued by the Secretary of State (clause 4 and schedule 1). A London Planning Commission is to be appointed to assist the Secretary of State in preparing the strategic guidance for London borough councils.

Metropolitan district councils already have concurrent powers to perform the limited functions of the MCC's functions in respect of historic buildings, ancient monuments and support for archaeology. They will now take over these responsibilities completely.

The GLC has wider powers than the MCCs in this field. The GLC's responsibilities for listed buildings and conservation areas will pass to the Historic Buildings and Monuments Commission for England, together with the GLC's powers to undertake research and to publish information on the history, architecture and archaeology of London. This encompasses the GLC's role in the Blue Plaque Scheme (clause 5 and schedule 2).

The GLC's and MCCs' existing responsibilities for National Parks and countryside matters will be transferred to the borough/district councils (clause 6 and schedule 3). The Bill gives power for the Peak Park Planning Board to be reconstituted; and it is intended that the relevant metropolitan district councils will take over the MCCs' responsibilities for funding and membership.

The borough/district councils will take over responsibility for highways and traffic management (clause 7 and schedules 4 and 5).

There will be power for the Secretary of State for Transport to issue guidance and to exercise reserve powers in relation to traffic management functions.

In London, all except 65 of the 895 miles of roads currently the responsibility of the GLC will pass to the borough councils. The Secretary of State for Transport will take responsibility for the 65 miles as part of the trunk road network. In addition a strategic network of some 500 miles of roads will be designated to ensure co-ordination of traffic management. This will comprise the 200 miles of trunk road and 300 miles of borough roads. On this 300 or so miles the boroughs will need to secure the consent of the Secretary of State before implementing any traffic management schemes which would alter the capacity of these roads.

In the metropolitan counties highways and traffic management functions will pass to the districts.

Waste regulation and disposal powers are passed to the borough/district councils (clause 8 and schedule 6). The Government have invited the authorities concerned to discuss co-operative arrangements and the Secretary of State will have a reserve power to establish joint arrangements for waste disposal functions in default of satisfactory voluntary arrangements being made (clause 9).

The few land drainage powers of the MCCs are passed to the district councils; one power will become a reserve power of the relevant water authorities (clause 10 and schedule 7). It is intended that the land drainage powers of the GLC in the London Excluded Area, and responsibility for the Thames Barrier will be passed to the Thames Water Authority by order.

The administration of the magistrates' courts service in outer London is restructured (clause 11). The four existing outer London Commission areas are replaced by new areas coterminous with the boroughs, and those borough councils take over the GLC's existing responsibilities for funding the service.

Borough/district councils are to take over the GLC's and MCCs' functions of appointing coroners, with appointments subject to the approval of the Secretary of State (clause 12). Where a coroner's district includes two or more London boroughs or metropolitan districts, the Bill provides for the Secretary of State to designate a particular borough or district council to be responsible for appointing coroners, after consultation with other councils affected.

The GLC's and MCCs' powers to make schemes for local valuation panels are to pass to the borough/district councils. Panel boundaries will remain unaltered (clause 13). There is a power for the Secretary of State, before the abolition date, to direct any borough/district councils to make schemes for their areas.

The Bill provides a new scheme for apportioning the expenses of the probation service in a probation area which includes a London borough or metropolitan district (clause 14). It also obliges probation committees to co-opt members of the borough/district councils in their areas.

GLC and MCC powers in relation to a range of other functions, including entertainments, night cafés, betting tracks, sports grounds, new towns and town development, commons, gipsy encampments, the rent officer service, poisons, building control in inner London, animals, fisheries, and records are passed to the borough and district councils (clause 15 and schedule 8).

Trading standards and related functions are passed to the districts with a requirement for them to establish joint committees in each county to seek to co-ordinate enforcement and the use of specialist staff and facilities employed in enforcement work (schedule 8). In London, these functions are already carried out by the borough councils.

A small number of housing functions are also passed from the GLC to the London boroughs (schedule 8) but the majority of housing powers are already held concurrently by the boroughs.

EDUCATION IN INNER LONDON

Part III of the Bill provides for the establishment of the directly elected Inner London Education Authority (clause 17). The new authority will be established as a corporate body before the abolition date on a day to be appointed by the Secretary of State. It will consist initially of the members of the existing ILEA and will be known as the Inner London Interim Education Authority. From the abolition date, the new authority will assume the title "Inner London Education Authority" and on that date will assume responsibility for its functions. The initial members will continue to serve until the first elections.

The Bill prescribes arrangements for the direct elections of members to the new authority. These are to be held every four years at the same time as the London borough elections (clause 18 and schedule 9). The first elections will be in May 1986.

The new authority is to be obliged to consult inner London borough councils about its budget and its main policy objectives (clause 20). The Bill places an obligation on the Secretary of State to review, before 1991, the exercise by the new authority of its education functions (clause 21). There is also provision for subsequent reviews. Following such a review, the Secretary of State may decide to transfer any or all of its functions to any or all of the inner London boroughs.

POLICE, FIRE SERVICES, CIVIL DEFENCE AND TRANSPORT

Part IV provides for the establishment, before the abolition date of new joint authorities, composed of members of borough/district councils appointed by their councils, to assume responsibility, as from the abolition date, for particular functions.

In London, there will be only one joint authority, with responsibility for the fire service and civil defence (clause 26). In each of the metropolitan counties, there will be three joint authorities, with responsibility respectively for the police (clause 23), fire services (clause 25) and passenger transport (clause 27). As now, the joint authorities for the police will have as members, in addition to the district councillors, local magistrates. There are special arrangements for the reconstitution of the Northumbria Police Authority, which will, as now, have responsibility for the police force for the counties of Northumberland and Tyne and Wear (clause 24).

Schedule 11 to the Act provides for the vesting of relevant functions in the police and fire authorities. Schedule 12 vests functions in the metropolitan county passenger transport authorities.

The Bill provides a power for the Secretary of State by order to transfer functions from joint authorities to one or more borough or district councils in the area to enable them to run services themselves (clause 40).

In relation to the airports in which the MCCs currently have an interest, there is a power for the Secretary of State to transfer any relevant property, rights and liabilities of a MCC to any or all of the district councils in the area, in accordance with agreements between those authorities on the future operation of the airport in question (clause 39). In the absence of such agreements, the Secretary of State is empowered to transfer the property, etc, to the relevant metropolitan county passenger transport authority.

THE ARTS, RECREATION AND VOLUNTARY ORGANISATIONS

Part V makes arrangements for a number of matters connected with the arts, recreation and voluntary organisations.

Those members of the Board of Governors of the Museum of London appointed by the GLC are to be replaced by members appointed by the Prime Minister (who currently has the right to appoint a number of Governors). Government funding for the Museum is also to be increased to replace the GLC's share. The City of London's appointment and funding responsibilities are unchanged (clause 41).

Kenwood House, Marble Hill House and Ranger's House are to be transferred to the Historic Buildings and Monuments Commission for England (clause 42). The Horniman and Geffrye Museums are to be transferred to the Inner London Education Authority (clause 43).

In order to safeguard the future of any nationally important metropolitan museum collection there is a power for the appropriate Minister to recommend that Her Majesty make an Order in Council constituting a body of trustees to have custody of collections of works of art or objects of historical or scientific interest currently belonging to a MCC (clause 44).

The South Bank arts complex in London is to be transferred to the Arts Council (clause 45).

The Bill provides a scheme for all London borough councils, or all district councils in a particular metropolitan county, to share the cost of making grants to voluntary organisations which serve more than a single borough or district, subject to the prior agreement of at least two-thirds of the councils in question (clause 46). The Secretary of State is empowered to prescribe maximum amounts which may be expended in each area in any year under this scheme.

STAFF

Part VI provides for a number of matters related to the staffing implications of the abolition of the GLC and MCCs.

The functions of the Staff Commission established by the Local Government (Interim Provisions) Act 1984 are amended so that it can protect the interests of all the staff affected by abolition (clause 47). There is to be a means for the Secretary of State to regulate excessive pay increases proposed for or made to employees of the GLC, MCCs, London borough and metropolitan district councils by designating or establishing a body to review such increases (clause 48). This follows similar provisions in s261 of the Local Government Act 1972. There is provision to transfer staff by Order to any of the successor authorities (clause 49). It is envisaged that this provision will be used for the operational staff of the new joint authorities, in particular, firemen and ILEA staff. Police officers are not employees of the MCCs.

Successor authorities will be required to take steps to complete, before the abolition date, the recruitment of any staff they require currently employed by the GLC or the MCCs (clause 52). Those staff who obtain posts with successor authorities will, in most cases, have continuity of employment for the purposes of rights or entitlements under contracts or employment protection legislation (clause 51). The compensation payable to those staff made redundant or who suffer loss or diminution of emoluments is to be limited to that prescribed by Regulations to be made under the Superannuation Act 1972 although contractual rights obtained before 2 March 1984 will be protected (clause 50). Successor local authorities will be required to provide to the Secretary of State during the three years after abolition such information as he may prescribe about the number of staff employed by them (clause 53). This will enable him to monitor the additional staff employed on the functions and activities transferred to these authorities.

The Government's proposals for the terms of redundancy and compensation were set out in the White Paper and will be amplified in a paper to be made available shortly.

RESIDUARY BODIES

Schedule 13 sets out the detailed arrangements for these bodies including the constitution, audit, control and general powers. They will be required to comply with any directions from the Secretary of State (clause 61).

The residuary bodies will inherit the liability for all outstanding external debt of the authorities being abolished; successor authorities will be deemed to have borrowed specified sums from the residuary bodies and will be required to make repayments sufficient to service and redeem the debt (clause 55). The residuary bodies will be responsible for making redundancy and compensation payments to former GLC and MCC staff which fall to be made after the abolition date (clause 56). The residuary bodies will become the administering authorities for the superannuation funds currently administered by the GLC and the MCCs. Payments to existing pensioners will be fully safeguarded (clauses 57 and 58).

All property, rights and liabilities which are not extinguished or transferred to other bodies will fall to be discharged by the residuary bodies (clause 59). There is provision to substitute a lead district in place of the residuary body in a metropolitan county in relation to the administration of debt or of superannuation funds (clause 62).

The residuary bodies are required to use their best endeavours to secure that their work is completed as soon as possible, and at the latest within five years of the abolition date, and to make or propose to the Secretary of State arrangements for transferring to other bodies any responsibilities which cannot be discharged within that time (clause 63).

FINANCIAL PROVISIONS

Part VIII makes arrangements for the finances of the new ILEA, the joint authorities and the residuary bodies; and also contains transitional arrangements in respect of block grant.

The new ILEA and the joint authorities (the new authorities) are given power to precept in the same manner and using the same procedure as other precepting authorities. The new authorities will be brought within the local government finance system and they will be eligible to receive block grant. They will also be subject to rate limitation under Part I of the Rates Act 1984 and will in any event be deemed to have been designated under that Act in respect of the three years following the abolition date (clauses

64 and 65). The residuary bodies are given power to make levies on the rating authorities in their areas, ie, the boroughs and districts. The levy on each authority is determined in proportion to the population of that authority in relation to the population of the area as a whole. Levies will form part of the expenditure of the authority for block grant purposes (clause 70).

The residuary bodies will be empowered to distribute to the boroughs and districts any surpluses and any capital money received. Prescribed proportions of such capital monies may count as capital receipts by those authorities (clause 73).

There are provisions for the borrowing, lending, funds, accounts and audit of these new bodies (clauses 66, 68, 69, 71, 74 and 75) and for the new bodies to borrow for their initial expenses before the abolition date, such borrowing to be repaid from the precepts or levies in the year in which they are first raised (clauses 67 and 72).

MISCELLANEOUS AND SUPPLEMENTARY

Part IX of the Bill contains miscellaneous and supplementary provisions, generally intended either to facilitate the operation of the revised arrangements introduced by the Bill or to settle certain relatively minor matters which are consequential upon the abolition of the GLC and MCCs.

The miscellaneous provisions include:

- the application of general local authority provisions to the new authorities (clause 79 and schedule 14) and provision for the first meetings of the new authorities (clause 81);
- a power for the Secretary of State to make or approve schemes ensuring that the new authorities are set up economically (clause 80);
- power for boroughs/districts to collaborate in promoting local Bills (clause 82);
- a duty on boroughs/districts to collaborate on research and the collection of information (clause 83)

- power to implement the controls announced on 24 July 1984 by the Secretary of State for the Environment over financial assistance by the GLC and MCCs to boroughs/districts (clause 86 and schedule 15);
- a duty on the boroughs and districts in each area to form joint committees to prepare for the transfer of functions (clause 88); this follows similar provisions in the 1972 Act.

The transitional provisions include:

- power to transfer by order the property rights and liabilities of the GLC and MCCs to successor authorities (clauses 92, 84 and 85);
- power to determine by order which functions shall be exercisable in the Temples by the authorities of the Inner and Middle Temples and which exercisable by the Common Council of the City of London, this follows the approach adopted in 1963 (clause 87);
- continuity of the exercise of functions (clause 90);
- extension of the power in section 5 of the Local Government (Interim Provisions) Act to secure information to include all successor bodies (clause 89).

Department of the Environment
November 1984



Minister of State

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The Rt Hon Margaret Thatcher MP
House of Commons
LONDON
SW1A 0AA

11/3/84
R1
31st October 1984

Dear Prime Minister,

In the last few days, you may have seen an advertisement placed in national and local newspapers by the GLC about training. Nearly all of that advertisement was misleading, and much of it simply false. I thought it would be helpful if I set the record straight.

The advertisement implies that the Greater London Training Board is filling a gap left by Whitehall. The facts are far otherwise. In 1984-85 the Manpower Services Commission alone will spend some £75 million directly on training and retraining in London, against about £7 million spent by the GLTB, of which a large proportion simply goes to "top-up" existing MSC schemes. This scarcely supports the contention that County Hall has a more imaginative approach to training than Whitehall. The fact is that there is provision for more than 30,000 young people to enter the Youth Training Scheme in London this year, and 12,000 adults will be trained or retrained under MSC programmes. These are solid and quantifiable results. The GLTB can claim no such success.

The advertisement goes on to suggest that MSC schemes take little account of the new technologies. Once again, this is a wilful mis-statement of fact. In London this year, well over 1,000 adults will be training in computer skills, while 600 people will be trained in such disciplines as computer controlled machining, computer aided design and robotics. All office skills training includes instruction in information technology as it affects office work, and 13 Information Technology Centres (ITeCs) have been set up in London to provide high quality and advanced training. However, all YTS trainees are introduced to information technology. In addition, of course, the taxpayer, through the Government, pays for the technological education provided in London University.



It is further asserted that Whitehall pays insufficient attention to the needs of women, ethnic minorities and the disabled. Again, the facts refute this. In London, 49 per cent of the entrants to YTS are women, while 56 per cent of the entrants to adult training and retraining schemes are women. In addition, special efforts are made to train women to compete in traditionally male dominated occupations, such as the construction trades. 30 per cent of entrants to YTS and 47 per cent of adults trained or retrained are from ethnic minorities, and special provision is made to train in the use of English where necessary. A number of specially designed courses provided in conjunction with voluntary organisations for the disabled, and 1,500 people attend Employment Rehabilitation Centres, which may lead on to training. Significant numbers of disabled adults and young people have entered MSC training schemes, and special provision is made for slow learners.

The fact is that through the managing agents, which include private employers, voluntary bodies, local authorities and educational establishments, the MSC training schemes in London are ideally placed to respond flexibly to the needs of the community. This flexibility has enabled more than 75 per cent of adults completing training courses in London to find work in their new occupations, and the figures for trainees leaving YTS are most encouraging as well. Nothing the GLTB has done can match these achievements. By publishing the misleading propaganda which this advertisement contains, some potential trainees may have been deterred from taking up a training opportunity which could transform his or her job prospects.

I am sure you will have visited MSC schemes operating within your constituency, and will have been able to judge their effectiveness for yourself. I believe that first-hand experience exposes the GLC's mischievous propaganda for what it is.

PETER MORRISON