

Conservative Research Department Brief

THE LOCAL GOVERNMENT BILL

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THE LOCAL GOVERNMENT BILL

The object of this brief is to examine some of the main issues that are likely to be raised at Second Reading. 'Politics Today', 10th September 1984, which is available in the Whips' Office provides further briefing on Abolition. The Department of the Environment's 'Yellow Book', called 'The Government's Proposals for Transferring Functions to the London Boroughs and Metropolitan Districts' is a comprehensive guide to the proposed changes. This is available from the Vote Office as is the very clear 'Guide to the Bill' produced by the Department.

A Necessary Measure

The 1983 Conservative Manifesto said:

'The Metropolitan Councils and the Greater London Council have been shown to be a wasteful and unnecessary tier of government. We shall abolish them and return most of their functions to the boroughs and districts. Services which need to be administered over a wider area - such as police and fire, and education in inner London - will be run by joint boards of borough or district representatives.'

Abolition of these councils will lead to better and simpler local government by concentrating the provision of services in the existing London borough and metropolitan district councils and eliminating expensive and time-consuming delays caused by the present overlap of functions. As the Minister for Local Government, Mr Kenneth Baker, said when the Bill was published:

'Our proposals were first set out in detail in the White Paper "Streamlining the Cities" published just over a year ago. We have issued a number of consultation papers on particular aspects of the proposals and we have listened carefully to all the constructive views that have been expressed. Nothing that has been said alters our conviction that the GLC and the MCCs are an unnecessary tier of government. They have too little to do and much of what they do involves interference with or duplication of the activities of the really local authorities - the boroughs and districts' (Press Release, 22nd November 1984).

Power Closer to the People

The London boroughs have 1,914 members as against only 92 for the GLC. In the metropolitan districts there are nearly 2,500 councillors whereas the metropolitan counties have only about 600 members. Borough and metropolitan district councillors represent smaller wards than do the county councillors so they are better able to keep closely in touch with the local community.

Opponents of the Government's plans have alleged that the Bill is a centralising not a decentralising measure, that most responsibilities of the GLC and MCCs are being transferred to quangos and ministries, not to lower-tier authorities. This is not so. Three-quarters of the expenditure of the GLC is accounted for by services which will be transferred directly to the boroughs. A further 20 per cent is accounted for by the fire brigade which is to be the responsibility of a joint board of borough councillors.

The claims by the GLC that only 30 per cent of its expenditure is being transferred directly to the boroughs appears to be based on the assumption that debt charges, which have to be paid whoever has responsibility, will remain with the central residuary body. In fact they will be apportioned among the boroughs before the residuary body is wound up.

Another measure of how which the GLC's powers are devolved to the boroughs is the extent to which the decisions that members of the GLC actually take, as opposed to the formal endorsement of the decisions of officers, will be taken by the boroughs.

Decisions in matters of substance such as planning, highway management and licensing taken at present by GLC committees and panels of members will go straight to the boroughs. Analysis of the matters debated at GLC council meetings gives little guidance as to whether the more important matters are being transferred to the boroughs, since so much time is devoted to discussing matters over which the Council has no control, such as police operations in Yorkshire and conditions in Armagh jail.

In the metropolitan counties, services which are not being transferred to the districts are going to joint boards of elected district councillors which will be responsible for public transport, fire and police.

Joint Boards

The Joint-boards have been criticised on the grounds that they will be weak and dominated by their officers. Joint boards are not new. Several police authorities cover more than one county area and this arrangement works well. Problems arise however when members of an authority responsible for one of these services try to usurp the proper functions of the officers in charge. Recent attempts by the councillors of South Yorkshire to interfere in policing were widely criticised. As the Home Secretary, Mr Leon Brittan told the Association of County Councils Conference on 7th November 1984:

'In this country the police are the servants not of the Government but of the law. Our system of policing was so constructed to prevent the police being caught up in party politics. While this Government has any influence, police operations in support of the law have not been, are not and will not be under the direction of any Minister, nor any local authority. Operational matters have been, are and will remain the responsibility of the Chief Constable.'

The Passenger Transport Executives (PTEs) in the metropolitan counties should also have freedom to manage their businesses, though policy decisions remain with elected members. In this field also joint boards have been shown to work. Four of the present PTEs were constituted in 1968 as joint boards under Labour's legislation. This arrangement worked and in Tyne and Wear it was the joint board which initiated and planned the metro system.

The power of the Secretary of State to control manpower and expenditure of the joint boards is intended to prevent wasteful and unnecessary expansion of staffing levels in the transitional period. It will not mean that police and fire services will be required to reduce services below the standards required by the Home Secretary.

A Residuary Body will be appointed for each metropolitan county and for Greater London. They will be appointed by and answerable to the Secretary of State. They will be responsible for handling the disposal of surplus property, the administration of outstanding debt and the redundancy payments to the staff of the authorities abolished not required by the successor bodies. These bodies will have a limited life and the Bill requires them to complete their work within five years of the abolition date.

Cutting the Cost of Local Government

Savings will result from Abolition for three reasons:

- A whole layer of local government will be removed and not replaced.
- Duplication of functions between two layers of local government will be removed.
- The transfer of services will present an opportunity for critical appraisal in terms of efficiency and economy.

The financial memorandum to the Bill states:

'The Government's current estimate, is that, subject to decisions yet to be taken by successor authorities, a saving of the order of £100 million annually will be achievable by removing a tier of government and eliminating duplication of functions. There will be some transitional costs falling most heavily in 1986/7 and reducing sharply thereafter. The main component of these costs will be compensation to staff for redundancy. This is estimated at about £40 million in 1986/7.

This estimate of the savings appears to be cautious. The technical functions which will be transferred to the boroughs such as highway management, waste disposal planning and building control (inner London only) from the GLC and the MCCs will complement the existing activities of those boroughs. These additional activities can be slotted in to the existing departments in those councils quite easily. The London borough and metropolitan district councils will only have to take on those staff that they wish from the GLC and MCCs.

Savings through Simplification in the Metropolitan Areas

A study carried out by independent accountants Price Waterhouse last spring on behalf of eight metropolitan district councils found that the rationalisation of staff that would follow from abolition would alone save 2,000 staff and £20 million per year, in the three counties examined, West Midlands, Merseyside and Greater Manchester. There would be, say Price Waterhouse, savings of £35 million from abolition of all the metropolitan counties. As the leaders of the districts concerned pointed out when the report was published, once the districts have inherited the services and control the policies they can improve the efficiency of those services and make further savings. Savings will also come from the savings in accommodation costs associated with the reduced number of staff, something not evaluated by Price Waterhouse.

The metropolitan county councils have frequently claimed that a report which they commissioned from management consultants Coopers and Lybrand Associates (C&L) shows that abolition will increase costs. In fact the C&L report, published in February, estimates that abolition would save between £5.5 million and £12 million per year if there is good co-operation between the councils. It is only if there is what C&L describe as 'limited co-operation' that they claim that costs will rise, by between £11 million and £21 million, per year. Over half these additional costs are claimed to be in one area, waste disposal. The reason for these estimates of a possible rise in costs for this service of 30 per cent is that they say that without co-operation some facilities would be underused while new plant would need to be constructed elsewhere. Clearly this would be in the interests neither of the districts that presently possess the plans nor those that don't, both would lose money by refusal to co-operate. In other words, the metropolitan counties, in putting forward C&L's worst case scenario, have assumed that the districts all act against their own interests.

A further study by C&L, on the cost of servicing joint boards, was published on 28th November. This study claims that additional costs would be between £700,000 and £5 million per year. It appears that the consultants spoke only to the MCCs themselves and Labour-controlled districts. So it is based on data which is, to say the least, suspect.

Ending the Extravagance of the GLC

Considerable savings will result from abolition of the Greater London Council. The London boroughs, like the metropolitan districts, already have departments handling highways, planning, waste collection and other technical services and they will be able to take on the additional responsibilities without taking on the GLC's overheads. A study by the treasurers of four London boroughs estimates the savings from rationalisation and ending duplication at approximately £35 million per year. Substantial savings will be made from the elimination of the GLC's massive central administration and support services which have not diminished despite the handing over of operational services from the GLC to other authorities in recent years. The Director-General's Department, for instance has an establishment of 1,670. Sale of County Hall would raise a very considerable sum for the benefit of London's ratepayers. The rate bill alone on this building is £9 million per year.

Considerable further savings will come simply from elimination of wasteful additional expenditure incurred by the Labour administration. Grants to crazy 'groups', the Women's Unit and the Police Committee will all cease. The GLC has created 1,400 extra posts, few of which are for people to provide extra services to the public; these also will go. A Conservative GLC would reduce expenditure and make significant savings, but there are very substantial savings that can only come from abolition of the GLC.

The Financial Memorandum estimates that transitional costs of abolition of the GLC and MCCs will be £40 million, mainly from redundancy payments. Some staff will have left voluntarily before abolition without taking redundancy pay and this will limit the cost of redundancy, as will Clause 50 which limits compensation to those with fixed term contracts signed after 1st March 1984.

Voluntary Organisations

There has been unjustified anxiety about the future of voluntary organisations in London and the metropolitan counties which at present receive assistance from the GLC and the county councils.

Many of the organisations receiving assistance serve only one borough and it is right that they should look to their local council for assistance. It should be for the borough council to decide on the way best to use resources for the good of their area. In a speech to the National Council of Voluntary Organisations (NCVO) on 12th November 1984, Mr Patrick Jenkin said that because of the additional responsibilities, including assistance to voluntary organisations, the expenditure targets, GREs and rate support grant for the boroughs would be increased.

The Government recognises that there should be collective funding of certain organisations that serve more than one borough or district. The need for this has long been recognised by the London boroughs which operate a scheme for assistance to voluntary organisations through the London Boroughs Association. This scheme has been weakened by the action of the Labour boroughs in leaving the LBA to form the Association of London Authorities, whose main purpose is political campaigning. Clause 46 of the Bill provides for the statutory joint funding of voluntary organisations in each conurbation. Under the proposals a borough may propose funding particular organisations ; if it can secure the assent of a certain proportion of all the boroughs in the conurbation, two-thirds is proposed in a consultation paper, then the cost is spread amongst all the boroughs. It is proposed to set a maximum for the grant aid under the Statutory Scheme, a total of £10 million per year in London is suggested in the consultation paper. In addition the Government proposes a 75 per cent specific grant for spending of up to £5 million per year in the abolition areas on grants to voluntary organisations for the first four years after abolition.

As Patrick Jenkin told the NCVO:

'We are proposing, therefore, a substantial package of measures. They will go a long way to meet the problems you have identified. They will leave these local decisions where they properly lie - with local elected councillors'.

Of course the London borough councils are unlikely to take on all of the grants that the GLC at present disburses. Organisations such as the Marx Memorial Library and Lesbian Line will receive little assistance from Conservative boroughs, and indeed some of the Labour councils may think that there are better ways of spending money than supporting the organisations the GLC now funds.

Provisions for Secondary Legislation

Details of all transfers of staff, property etc. from the GLC and metropolitan counties to the boroughs and other successor bodies will be settled by Order. The 98 clauses and 17 schedules of the Bill do, however, clearly set out the new structure of local government and the powers and duties of the joint boards and other new bodies.

Clause 93 gives a power to make incidental, consequential, transitional and supplementary provisions. This clause is modelled on the general clauses in many Acts which provide for supplementary measures to be taken consequential on the main purposes of the Act. In particular there are directly comparable precedents in s254 of the Local Government Act 1972 and in s84 of the London Government Act 1963 although some matters dealt with in those sections are in this bill covered separately in clauses 90 and 92.

The orders made under the clause are limited to matters that are incidental, consequential, transitional or supplementary to the general purpose of the Bill. They cannot be used to alter in radical ways the main provisions of the bill or subsequently to give effect to different policies. Nothing in this clause would provide a power for a minister to take over a function which under other provisions in the Bill was to become the statutory responsibility of a borough, district or new authority.

Education in Inner London

The major change that will take place to ILEA under the proposed legislation is that it will become directly elected: Each member (2 for each parliamentary constituency in the ILEA area) will be answerable to the electors, ILEA will have no other responsibility than Education. This replaces the existing "special committee" status of the ILEA whereby all the members are either members of the GLC or nominees of the Inner London boroughs. The elections for the ILEA will take place on the same day as borough elections in 1986, and until then the existing nominated ILEA will continue to act.

The Government considered devolving education to the boroughs, continuing the system of borough nominees running ILEA, or allowing boroughs to opt to run their own education system. One of the problems of devolution to boroughs was the disruption of a system designed for a large area. Opting out could have allowed the wealthier boroughs to withdraw, leaving scattered and poorer boroughs for whom planning and financial provision would have been difficult. A nominee system was felt to put education too far in second place to borough functions. The Government has accepted the view of the consultation process in favour of a directly elected ILEA.

ILEA lacks cost consciousness and a proper sense of duty to economy in the ratepayers' interest. The new ILEA will be required to consult the boroughs and the City each year about its draft budget and main policy objectives, and its performance will be reviewed in 1991. ILEA is ratecapped in 1985-86 and the Bill provides for budgetary control to be applied for the first three years of the new ILEA's life.

The Government feels that the opportunity is there for ILEA to demonstrate how well it can perform with greater responsibility to the electors.

Clause 21 of the Bill requires the Secretary of State to review the exercise of functions by the Inner London Education Authority before 1991 and lay the report before Parliament. There is a power to transfer functions of ILEA to the boroughs or reorganise the Authority, by order after the report has been considered.

Is a London-wide Body Still Required?

It has been suggested that a directly elected council for London, but with more limited powers than the GLC has at present, is still necessary.

The case for a 'son of GLC' must rest on the need for firm central control of planning in London. This, of course, is something the socialists consider to be essential. In fact there is now no need for this sort of planning. Control of development is something that is best left to the real local authorities, the London boroughs. The GLC's role in planning has been one of waste and interference leading to delays and expensive battles with the boroughs. For example, the boroughs' traffic management proposals have to be approved by the GLC, something which can take many months.

It is simply not clear what a 'slimmed down body' would do if its job went beyond getting in the way of the boroughs as they carried out their planning and highway functions. It would of course retain the responsibility for the fire brigade, the one service which needs to be run on a London-wide basis, but this alone is not sufficient to justify the retention of a directly-elected body.

Much of the support for the GLC is based on a misapprehension that the GLC is responsible for social services, education, planning and many functions which other authorities provide. A survey carried out by MORI in June 1984 for the GLC showed that over half of those who opposed abolition did so simply because they thought it was "doing a good job", they could give no more specific reason.

The Voice of London?

There is no need for the GLC or other such body as a voice for London. The boroughs and London MPs will be a very effective voice for London. It is an illusion that the GLC ever could be an effective voice for London and implement strategic decisions. The Labour GLC's propaganda, foreign policy and grants to weird groups sometimes distract attention from a fact of central importance - that the GLC has no effective strategic role.

As Mr Jenkin said on 18th May 1984

'The GLC is unnecessary because it is a hollow shell.'

Ken Livingstone, in March 1979, said in a speech at County Hall

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

Perhaps Mr Livingstone has not changed his mind.

The battle to save the GLC is for the Labour Left not a campaign to save a cherished organ of local administration but the part of the wider struggle to bring down the government. This Mr Livingstone made clear in a speech on the 'Day of Action' November 7th (reported in Labour Herald, 16th November 1984) when he said.

'We have the chance to defeat this government, to break its will and to bring it down. That is the option before us. It involves total support for the miners, total resistance to everything this government seeks to do to local government.'

THE RT HON PATRICK JENKIN MP
SECRETARY OF STATE FOR THE ENVIRONMENT

SPEECH

FOR

ABOLITION: SECOND READING

ON

MONDAY 3 DECEMBER 1984

I BEG TO MOVE THAT THE BILL BE NOW READ A SECOND TIME.

THIS BILL WILL ABOLISH THE GREATER LONDON COUNCIL AND THE SIX METROPOLITAN COUNTY COUNCILS AND DEVOLVE ALMOST ALL THEIR SERVICE FUNCTIONS TO THE LONDON BOROUGHES AND TO THE METROPOLITAN DISTRICTS.

TO UNDERSTAND THE NEED FOR CHANGE ONE MUST LOOK AT THE PRESENT STRUCTURE.

TAKING LONDON FIRST, THE HERBERT COMMISSION'S REPORT PROPOSED, AND IN THE LONDON GOVERNMENT ACT PARLIAMENT ENACTED, THAT THE BOROUGHES WERE TO BE THE PRIMARY UNITS OF LOCAL GOVERNMENT. THE GLC WAS MADE SOLELY RESPONSIBLE ONLY FOR AMBULANCES, SEWERAGE AND SEWAGE DISPOSAL, THE FIRE SERVICE, WASTE DISPOSAL, STRUCTURE PLANNING AND SOME MAJOR ROADS. THE INNER LONDON EDUCATION AUTHORITY PROVIDED EDUCATION FOR ONE-THIRD OF LONDON'S CHILDREN.

THE GLC WAS ALSO GIVEN A STRATEGIC HOUSING ROLE, AND TOOK OVER THE LCC HOUSING ESTATES, BUT THE BOROUGHs WERE ESTABLISHED AS THE MAIN HOUSING AUTHORITIES. THE GLC INHERITED SOME OF THE LCC'S OPEN SPACES. IN 1970 IT ACQUIRED RESPONSIBILITY FOR LONDON TRANSPORT.

SINCE THEN, AMBULANCES HAVE GONE TO THE HEALTH SERVICE, SEWERS AND SEWAGE DISPOSAL TO THE WATER AUTHORITY AND, THANKS TO LORD PLUMMER AND SIR HORACE CUTLER, MOST OF THE HOUSING ESTATES HAVE GONE TO THE BOROUGHs. UNDER LAST SESSION'S ACT THE GLC LOST ITS RESPONSIBILITY FOR PUBLIC TRANSPORT.

THEREFORE VIRTUALLY ALL THE LOCAL GOVERNMENT SERVICES AFFECTING PEOPLE'S DAILY LIVES ARE NOW WITH THE BOROUGHs.

THE NEW SYSTEM NEVER REALLY SETTLED DOWN. THE CREATION OF POWERFUL BOROUGHs, THE SHARING OF MAJOR FUNCTIONS BETWEEN THE TIERS, THE LACK OF A CLEARLY DEFINED ROLE FOR THE GLC - ALL THESE MADE FOR CONFLICT AND CONFUSION. TO THE GLC, GREATER LONDON IS A SINGLE ADMINISTRATIVE AREA TO BE RUN FROM THE CENTRE. TO MOST LONDONERS LONDON IS A SERIES OF SEPARATE LOCAL AREAS WITH VERY DIVERSE CHARACTERISTICS. CAMDEN HAS LITTLE IN COMMON WITH CROYDON; HACKNEY HAS LITTLE IN COMMON WITH HARROW; REDBRIDGE HAS LITTLE IN COMMON WITH RICHMOND. PERHAPS I COULD REMIND THE HOUSE THAT IT WAS A FORMER CONSERVATIVE PRIME MINISTER, LORD SALISBURY, HIMSELF RESPONSIBLE FOR THE CREATION OF THE LONDON BOROUGHs, WHO SAID IN 1898 AFTER THE CREATION OF THE LONDON COUNTY COUNCIL:-

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"WE MIGHT HAVE OBTAINED A MUCH MORE EFFICIENT MACHINE IF WE HAD BEEN CONTENT TO LOOK UPON LONDON AS WHAT IT IS, NOT AS ONE GREAT MUNICIPALITY, BUT AS AN AGGREGATE OF MUNICIPALITIES".

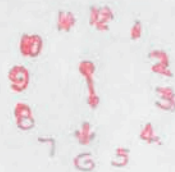
THE GLC DOES NOT RUN LONDON; THE GLC NEVER HAS RUN LONDON; THE GLC HAS NEVER BEEN MORE THAN THE MINOR PARTNER IN THE PROVISION OF LOCAL GOVERNMENT SERVICES IN LONDON. THE MAJOR PARTNERS ARE, AND SINCE 1965 HAVE BEEN, THE LONDON BOROUGHS.

TURNING TO THE METROPOLITAN COUNTY COUNCILS, NO LESS THAN 33 OF THE 36 METROPOLITAN DISTRICTS ENCOMPASS FORMER COUNTY BOROUGHS. THEY HAVE ALWAYS RESENTED THE LOSS OF POWERS TO WEAK AND INEFFECTIVE UPPER-TIER AUTHORITIES. PEOPLE HAVE NEVER IDENTIFIED WITH THE METROPOLITAN COUNTIES.

OF COURSE, THE MET COUNTIES HAVE RUN SOME SERVICES WELL BUT THAT'S NOT THE POINT. THEY SIMPLY DO NOT HAVE ENOUGH MAJOR FUNCTIONS TO JUSTIFY THEIR EXISTENCE AS A SEPARATE DIRECTLY-ELECTED TIER OF GOVERNMENT.

MOST HON MEMBERS, FROM ALL PARTS OF THE HOUSE, NOW AGREE THAT THERE HAS TO BE CHANGE. THE ARGUMENT, THEREFORE, IS ABOUT WHAT CHANGE. DO WE GIVE THE GLC AND MCCS INCREASED POWERS? DO WE KEEP THEM BUT WITH REDUCED POWERS? OR DO WE ABOLISH THEM?

7 DEC 1984



THERE HAVE BEEN SOME WHO HAVE ARGUED FOR MORE POWER FOR THE UPPER TIERS, TURNING THEM INTO A REGIONAL TIER OF GOVERNMENT, SOME HANKER FOR A SO-CALLED "STRATEGIC AUTHORITY". AND "STRATEGIC" HERE MEANS, NOT LAND USE PLANNING, BUT SOCIAL AND ECONOMIC PLANNING AND ENGINEERING - SO DEAR TO SOCIALIST HEARTS,

WE HAVE ALSO HEARD - AND SHALL HEAR - SIMILAR VIEWS FROM THE ALLIANCE. MR LIVINGSTONE THINKS THAT HIS AUTHORITY SHOULD BE GIVEN WIDER POWERS. STRANGE BEDFELLOWS!

BUT, LEAVING THEM ASIDE, THERE IS LITTLE SUPPORT FOR A FORM OF GOVERNMENT WHICH WOULD BE RIGHTLY SEEN AS SUCKING POWER UPWARDS AWAY FROM THE PEOPLE. "REGIONAL GOVERNMENT" HAS ALWAYS BEEN A MINORITY CULT IN ENGLAND! SO WE REJECT THAT.

RATHER MORE VOCAL ARE THE ARGUMENTS - ESPECIALLY IN LONDON - IN FAVOUR OF KEEPING AN UPPER TIER, BUT IN A WEAKER, SLIMMED-DOWN FORM. BUT MOST SUCH SCHEMES, WHEN EXAMINED CLOSELY, TURN OUT TO BE LITTLE DIFFERENT FROM THE PRESENT AUTHORITIES. TALK OF A "HEAD OFFICE FOR THE BOROUGHES" HAS AN OMINOUS RING ABOUT IT.

AND WHERE WOULD IT LEAD? MR LIVINGSTONE IS BRUTALLY FRANK. HE SAYS THAT HE WOULD SETTLE FOR A GLC WITH 80% OF THE PRESENT POWERS BECAUSE A FUTURE LABOUR GOVERNMENT COULD EASILY GIVE IT BACK THE OTHER 20%. ANYONE WHO FAVOURS A SLIMMED-DOWN UPPER TIER FOR ITS OWN SAKE HAS TO TELL US WHAT SUCH WEAK AUTHORITIES WOULD ACTUALLY DO. IF THEY HAD SUBSTANTIVE FUNCTIONS HOW WOULD THEY AVOID THE DUPLICATION, CONFLICT AND BUREAUCRACY OF WHICH IT IS THE INTENTION OF THIS BILL TO RID US? IF THEY HAD NO SUBSTANTIVE FUNCTIONS, WHAT SORT OF PEOPLE WOULD WASTE THEIR TIME SERVING ON THEM? THAT IS THE DILEMMA FACED BY THOSE WHO ARGUE FOR SOME NEW ELECTED PAN-LONDON BODY. OF COURSE, THE GOVERNMENT WILL LISTEN TO THE ARGUMENTS; BUT I HAVE TO TELL THE HOUSE I HAVE YET TO HEAR A CONVINCING CASE WHICH RESOLVES THAT DILEMMA.

THE THIRD OPTION IS ABOLITION. THAT IS THE ONE THAT THIS GOVERNMENT HAS UNHESITATINGLY CHOSEN. WE BELIEVE THAT LOCAL GOVERNMENT SHOULD BE LOCAL. WE SEE NO CASE FOR A TWO TIER STRUCTURE IN LONDON OR IN THE MET COUNTIES; AND THAT WAS WHY IN OUR 1983 MANIFESTO WE COMMITTED OURSELVES TO ABOLISHING THESE COUNCILS.

WE HAVE YET TO HEAR WHICH OF THESE OPTIONS THE OPPOSITION WOULD CHOOSE. WHY, MR SPEAKER, ARE THEY SO SHIFTY AND EVASIVE ON THIS ISSUE? IS IT BECAUSE THEY KNOW THAT NO GOVERNMENT WOULD WANT TO CONTINUE WITH A STRUCTURE WHICH INEVITABLY LEADS TO CONFLICT? NO DOUBT THEY KNOW IN THEIR HEARTS THAT A SLIMMED-DOWN UPPER TIER WOULD BE A FUTILE DEVICE. IS IT THAT PERHAPS THEY REALLY AGREE WITH THE POLICY WE HAVE ADOPTED, BUT ARE TOO SCARED TO SAY SO?

NOT ALL HON MEMBERS OPPOSITE ARE SO AMBIVALENT. AFTER THE LAST ELECTION THE HON MEMBER FOR PERRY BARR WROTE:

"I DO NOT INTEND TO LIFT ONE LEGISLATIVE FINGER TO STOP THE RETURN OF SINGLE TIER LOCAL GOVERNMENT IN BIRMINGHAM."

MR SPEAKER, WE SHALL WATCH CLOSELY WHAT THE HONOURABLE GENTLEMAN DOES WITH HIS FINGERS IN THE MONTHS AHEAD.

PERHAPS OF GREATER SIGNIFICANCE IS THE RT HONOURABLE GENTLEMAN THE MEMBER FOR GORTON. HE TOLD A LABOUR LOCAL GOVERNMENT CONFERENCE IN 1981 THAT HE WANTED A SINGLE TIER OF LOCAL GOVERNMENT IN LONDON. THE PRESENT SYSTEM, HE SAID, WAS A RECIPE FOR CONFLICT. HE WENT ON

"WE SHOULDN'T REGARD THE EXISTENCE OF THE GLC AS SACROSANCT. IN MY VIEW IT IS AN ENORMOUS BUREAUCRACY WHICH HAS A DUBIOUS ROLE TO PLAY."

FINALLY, THERE IS THE HON MEMBER FOR COPELAND. HE HAS CAREFULLY AVOIDED ANY COMMITMENT TO RESTORING THE MET COUNTIES. BUT HE IS APPARENTLY COMMITTED TO RECREATING SOME KIND OF "ELECTED AUTHORITY FOR LONDON". WE AWAIT WITH SOME INTEREST FURTHER DETAILS OF HIS PROPOSALS.

I TURN NOW TO THE BILL, AND OUR PROPOSALS FOR THE NEW STRUCTURE. THE BILL DISPELLS SOME MYTHS.

THERE WAS THE SUGGESTION, BANDIED ABOUT BEFORE IT WAS PUBLISHED, THAT IT WOULD BE NO MORE THAN A GENERAL ENABLING BILL. NOW THAT IT IS BEFORE US, THE HOUSE CAN SEE THAT VIRTUALLY ALL THE SUBSTANTIVE CHANGES ARE DEALT WITH IN THE BILL ITSELF. OF COURSE THERE ARE ORDER-MAKING POWERS; BUT THEY GENERALLY FOLLOW CLOSELY THE PRECEDENTS IN THE 1963 AND 1972 ACTS.

X] SECOND, IT IS NOT A BILL TO TRANSFER WHOLESAL E LOCAL AUTHORITY FUNCTIONS TO CENTRAL GOVERNMENT. BASED ON THIS YEAR'S BUDGETED SPENDING FIGURES, ONLY ABOUT 5% OF THE GLC'S SERVICE FUNCTIONS WILL PASS TO GOVERNMENT DEPARTMENTS OR AGENCIES, INCLUDING FLOOD PROTECTION, SOME ROADS, HISTORIC BUILDINGS AND MAJOR ARTS ACTIVITIES. AROUND 95% OF THE GLC'S SERVICE FUNCTIONS WILL BE DEVOLVED DIRECTLY TO THE LONDON BOROUGH S AND THE JOINT FIRE AUTHORITY. IN THE MET COUNTIES VIRTUALLY ALL SERVICE FUNCTIONS WILL GO TO THE DISTRICTS AND JOINT AUTHORITIES.

THIRD, THERE IS NO DEEP-LAID PLOT AIMED AT A CENTRAL GOVERNMENT TAKEOVER. TWO CLAUSES IN PARTICULAR HAVE LED THE OPPOSITION TO FORMULATE ITS CONSPIRACY THEORY - CLAUSES 80 AND 93.

CLAUSE 80 ENABLES THE HOME, TRANSPORT AND EDUCATION SECRETARIES TO CONTROL THE MANPOWER OF THE JOINT AUTHORITIES AND THE NEW ILEA. MR SPEAKER, WHATEVER THE OPPOSITION MAY SAY, I DO NOT BELIEVE THAT THE RATE-PAYERS WOULD FORGIVE US IF WE ALLOWED A REPLAY OF THE ENPIRE BUILDING WHICH HAPPENED AFTER 1965 AND 1974. TRANSITIONAL CONTROLS - AND CLAUSE 80 IS TRANSITIONAL - ARE ENTIRELY JUSTIFIED TO PREVENT THIS.

CLAUSE 93 HAS ALSO BEEN SEIZED UPON BY THE OPPOSITION. THEY HAVE PRONOUNCED IT "BREATH-taking" AND "UNPRECEDENTED" THEY HAVE OVER-REACTIONED AND THEY ARE WRONG. THE POWERS IN CLAUSE 93 ARE PRECEDENTED. CLAUSES IN MORE OR LESS IDENTICAL FORM ARE IN THE 1963 AND 1972 ACTS. THE ORDERS WHICH CAN BE MADE UNDER THE CLAUSE ARE LIMITED TO MATTERS THAT ARE "INCIDENTIAL, CONSEQUENTIAL, TRANSITIONAL, OR SUPPLEMENTARY" TO THE GENERAL PURPOSES OF THE BILL. THEY COULD NOT BE USED TO ALTER RADICALLY THE MAIN PROVISIONS OF THE BILL OR SUBSEQUENTLY TO GIVE EFFECT TO DIFFERENT POLICIES. IN PARTICULAR, THEY COULD NOT BE USED TO TAKE THE JOINT AUTHORITIES OUT OF LOCAL AUTHORITY CONTROL.

FINALLY, THE BILL IS NOT THE END OF LOCAL DEMOCRACY IN LONDON AND THE MET AREAS. YES, 693 UPPER-TIER COUNCILLORS WILL DISAPPEAR. BUT, MR SPEAKER, BOROUGH AND DISTRICT COUNCILLORS - A MAJORITY OF WHOM COME UP FOR RE-ELECTION IN 1986 - WILL RUN LOCAL GOVERNMENT IN THESE AREAS - 4,395 OF THEM!

PART I OF THE BILL PROVIDES THAT THE SEVEN AUTHORITIES WILL CEASE TO EXIST AT MIDNIGHT ON 31 MARCH 1986. PART II, TOGETHER WITH SCHEDULES 1 TO 8, CONTAINS THE ARRANGEMENTS FOR TRANSFERRING MOST OF THE PRESENT UPPER-TIER FUNCTIONS TO THE BOROUGH AND DISTRICTS.

AMONG THE POWERS DEVOLVED TO THE BOROUGH AND DISTRICTS IS STRUCTURE PLANNING. THE BILL PROVIDES A NEW AND SIMPLER SYSTEM OF UNITARY DEVELOPMENT PLANS. IT ALSO GIVES INCREASED FREEDOM TO LOCAL GOVERNMENT, FOR THERE WILL NO LONGER BE A REQUIREMENT FOR THE PLANS - WHICH WILL INCORPORATE THE ELEMENTS OF CURRENT STRUCTURE PLANS - TO BE APPROVED BY ME.

OF COURSE, THERE WILL REMAIN THE NEED FOR AN OVERVIEW OF LAND USE PLANNING ISSUES IN THE METROPOLITAN AREAS. TO MEET THIS, I SHALL WHERE NECESSARY GIVE PLANNING GUIDANCE - UNDER EXISTING POWERS - TO THE BOROUGH AND DISTRICTS. THIS GUIDANCE WILL NOT BE DREAMT UP IN MARSHAM STREET. IN THE MET COUNTIES I SHALL WANT TO CALL CONFERENCES WHICH WILL BRING TOGETHER ALL THE PLANNING AUTHORITIES TO DISCUSS STRATEGIC ISSUES AND TO PRODUCE DRAFT GUIDANCE. IN LONDON I SHALL BE ADVISED BY A PLANNING COMMISSION ESTABLISHED UNDER THE BILL. IN ALL AREAS THERE WILL BE AN OPPORTUNITY FOR PUBLIC COMMENT.

PARTS III AND IV ESTABLISH THE NEW AUTHORITIES: A DIRECTLY-ELECTED INNER LONDON EDUCATION AUTHORITY - A CHANGE FROM OUR ORIGINAL PROPOSALS THAT HAS BEEN WIDELY WELCOMED - AND JOINT AUTHORITIES TO RUN THE FIRE BRIGADE AND CIVIL DEFENCE IN LONDON AND FIRE, POLICE AND PASSENGER TRANSPORT IN EACH MET COUNTY.

JOINT AUTHORITIES ARE NO STRANGERS TO LOCAL GOVERNMENT. IT WAS THE PARTY OPPOSITE WHICH ESTABLISHED PASSENGER TRANSPORT AUTHORITIES IN TYNE AND WEAR, GREATER MANCHESTER, MERSEYSIDE AND THE WEST MIDLANDS. THEY WERE WIDELY REGARDED AS EFFECTIVE.

OR TAKE THE POLICE. THERE EXIST TODAY SEVEN COMBINED POLICE AUTHORITIES IN ENGLAND. IT IS A MATTER OF HISTORY THAT FOUR OF THESE WERE ORIGINALLY CREATED BY THE LABOUR GOVERNMENT BETWEEN 1964 AND 1970.

NEITHER THOSE PTAs NOR THESE COMBINED POLICE AUTHORITIES HAVE EVER BEEN REGARDED AS QUANGOS, NOR WILL THE NEW JOINT AUTHORITIES BE QUANGOS, ON THE CONTRARY, BEING MADE UP OF ELECTED COUNCILLORS APPOINTED BY THE BOROUGH AND DISTRICT COUNCILS THEY WILL BE, AND WILL CLEARLY BE SEEN TO BE, PART OF THE LOCAL GOVERNMENT SYSTEM IN THESE AREAS.

THE GOVERNMENT ARE, OF COURSE, WELL AWARE THAT SOME DISTRICT AUTHORITIES WOULD LIKE TO ASSUME FULL RESPONSIBILITY FOR SOME OR ALL OF THESE SERVICES. THE BILL THEREFORE PROVIDES, IN CLAUSE 40, FOR A POWER BY ORDER FOR INDIVIDUAL AUTHORITIES TO TAKE OVER THE RUNNING OF THESE SERVICES WHERE THEY CAN MAKE A GOOD CASE TO THE SECRETARY OF STATE FOR DOING SO.

PART V DEALS WITH THE ARTS AND WITH VOLUNTARY ORGANISATIONS. FOR THE MOST PART, FUNCTIONS WILL PASS TO THE BOROUGH AND DISTRICTS, BUT THERE ARE A FEW CASES WHERE SPECIAL ARRANGEMENTS ARE NEEDED; IN PARTICULAR THE SOUTH BANK COMPLEX IN LONDON WILL, AFTER ABOLITION BE RUN BY THE ARTS COUNCIL. MANY IN THE ARTS WORLD WILL WELCOME THIS MOVE, SINCE UNDER ITS PRESENT ADMINISTRATION, THE GLC HAVE SHOWN THEMSELVES QUITE UNFITTED TO RUN THIS IMPORTANT NATIONAL INSTITUTION. IN ADDITION, WE INTEND TO ESTABLISH A NEW TRUSTEE BODY, UNDER CLAUSE 44, TO RUN ART GALLERIES AND MUSEUMS IN MERSEYSIDE.

[THE GOVERNMENT ARE DETERMINED THAT ABOLITION WILL NOT DAMAGE SUPPORT FOR THE ARTS. MY RT HON AND NOBLE FRIEND THE MINISTER FOR THE ARTS HAS ANNOUNCED £34 MILLION ADDITIONAL CENTRAL FUNDING TO LOOK AFTER THE NEEDS OF A NUMBER OF ARTS BODIES, MUSEUMS AND INSTITUTIONS IN LONDON AND THE MET COUNIES WHICH ARE OF MORE THAN LOCAL IMPORTANCE.]

CLAUSE 46 OF THE BILL MAKES SPECIAL PROVISION TO HELP VOLUNTARY BODIES WHICH SERVE A WIDER AREA THAN THE INDIVIDUAL BOROUGH OR DISTRICT.

MR SPEAKER, IT CANNOT BE REPEATED TOO OFTEN THAT IT IS NO PART OF THE GOVERNMENT'S PURPOSE THAT WORTHWHILE VOLUNTARY ACTIVITY SHOULD SUFFER THROUGH THE ABOLITION OF THE SEVEN AUTHORITIES.

OUR PROPOSALS AIM TO HELP VOLUNTARY BODIES IN LONDON AND THE MET COUNTIES IN FOUR WAYS. FIRST, THE BOROUGH AND DISTRICTS WILL HAVE INCREASED RESOURCES TO MATCH THEIR INCREASED RESPONSIBILITIES. THEY WILL NO LONGER HAVE TO HAND OVER TO THE GLC AND THE MET COUNTIES THE MONEY THE UPPER TIER AUTHORITIES CURRENTLY SPEND ON VOLUNTARY ORGANISATIONS. SECOND, CLAUSE 46 PROVIDES FOR BOROUGH AND DISTRICTS TO FUND VOLUNTARY BODIES COLLECTIVELY; SO LONG AS TWO-THIRDS OF THE COUNCILS IN ANY AREA AGREE, ALL WILL BE BOUND TO CONTRIBUTE PROPORTIONALLY. THIRD, FOR PROJECTS PREVIOUSLY FUNDED BY THE GLC AND THE MET COUNTIES, THE GOVERNMENT WILL GIVE TRANSITIONAL HELP OF £5 MILLION IN THE FORM OF 75% SPECIFIC GRANTS. AND FOURTH, URBAN PROGRAMME PROJECTS FUNDED BY AN UPPER-TIER COUNCIL WILL BE CONSIDERED FOR RENEWAL IN EXACTLY THE SAME WAY AS OTHER UP PROJECTS.

THE GOVERNMENT IS STILL CONSULTING THE VOLUNTARY BODIES ON THE DETAILS OF THESE ARRANGEMENTS. LET NO ONE DOUBT THE GENUINENESS OF OUR COMMITMENT.

PART VI OF THE BILL DEALS WITH STAFFING ISSUES. I HAVE RECENTLY ISSUED - AND PLACED IN THE LIBRARY - A PAPER WHICH EXPLAINS IN SOME DETAIL THE EFFECT OF THESE PROVISIONS AND THE WAY IN WHICH WE INTEND TO DEAL WITH OTHER MATTERS - IN PARTICULAR COMPENSATION FOR REDUNDANCY - BY REGULATIONS.

WE HAVE ALREADY ESTABLISHED AN INDEPENDENT STAFF COMMISSION TO SAFEGUARD STAFF INTERESTS. I URGE THE UNIONS TO START TALKING TO THE COMMISSION NOW. IT IS THERE TO HELP THEIR MEMBERS

PART VII ESTABLISHES A RESIDUARY BODY IN EACH AREA. THESE BODIES ARE PURELY TEMPORARY - THE BILL IMPOSES ON THEM A DUTY TO WIND UP THEIR AFFAIRS AS SOON AS POSSIBLE. BUT THEY WILL HAVE AN ESSENTIAL ROLE TO PLAY IN THE TRANSITION. AS WELL AS INHERITING ANY PROPERTY, RIGHTS, LIABILITIES, ETC, WHICH DO NOT GO TO ONE OF THE SUCCESSOR BODIES, THEY WILL TAKE OVER THE ADMINISTRATION OF EXISTING DEBT AND SUPERANNUATION FUNDS - UNLESS, IN ANY MET COUNTY, THE DISTRICTS AGREE AMONGST THEMSELVES BEFORE ABOLITION THAT THESE SHOULD PASS TO ONE DISTRICT COUNCIL.

PART VIII DEALS WITH FINANCE, INCLUDING DETAILED TRANSITIONAL ARRANGEMENTS CONCERNING GRES, BLOCK GRANT AND TARGETS; AND THERE WILL BE NECESSARY CHANGES TO LONDON EQUALISATION. IT IS OUR AIM TO SECURE THAT ABOLITION DOES NOT FORTUITOUSLY BENEFIT OR PENALISE ANY INDIVIDUAL AUTHORITY.

MR SPEAKER, THE CENTRAL PURPOSE OF THE BILL IS TO PROVIDE A MORE LOCAL AND A MORE ACCOUNTABLE SYSTEM OF LOCAL GOVERNMENT IN LONDON AND THE METROPOLITAN COUNTIES. PEOPLE IN THESE AREAS WILL HAVE ONLY ONE LOCAL COUNCIL TO DEAL WITH. THEY WILL LOOK TO THEIR LOCAL COUNCILLORS TO DEAL WITH COMPLAINTS AND QUERIES. DECISIONS WILL BE TAKEN LOCALLY BY STRONG, ELECTED LOCAL AUTHORITIES.

OF COURSE THERE WILL BE SAVINGS. THEY WILL STEM FROM A SYSTEM OF LOCAL GOVERNMENT WHICH WILL BE CLOSER - AND THEREFORE MORE ACCOUNTABLE - TO THE PEOPLE. THERE WILL ALSO BE SAVINGS BECAUSE REMOVING A WHOLE LAYER OF GOVERNMENT WILL CUT OUT DUPLICATION AND UNNECESSARY BUREAUCRACY.

I UNDERTOOK, EARLIER IN THE YEAR, TO PUBLISH THE GOVERNMENT'S LATEST ESTIMATE OF THE SAVINGS WE EXPECT AND OF ANY EXTRA COSTS LIKELY TO BE INCURRED. I DRAW THE HOUSE'S ATTENTION TO THE WRITTEN ANSWER GIVEN LAST FRIDAY TO MY HON FRIEND THE MEMBER FOR SURBITON.

IF ANYONE DOUBTS THE SCOPE FOR SAVINGS, LET HIM CONSIDER THE GLC'S SPENDING RECORD. ITS EXTRAVAGANCE HAS BECOME A BY-WORD. ITS £10 MILLION PROPAGANDA CAMPAIGN, ITS WOMEN'S COMMITTEE, WHICH SPENDS THREE TIMES THE BUDGET OF THE EQUAL OPPORTUNITIES COMMISSION, ITS ABSURD FORAYS INTO FOREIGN POLICY - THE LIST OF ITS FOLLIES IS ENDLESS. IT WOULD ALL BE A GREAT JOKE IF IT WEREN'T FOR THE FACT THAT IT IS THE RATEPAYERS OF LONDON WHO HAVE HAD TO PAY FOR IT ALL.

THE GLC AND THE MET COUNTIES TOGETHER ARE PLANNING TO EXCEED THE GOVERNMENT'S TARGETS BY MORE THAN £400 MILLION. THEIR BUDGETS EXCEED THEIR GREs BY £600 MILLION. OF COURSE, NOT ALL OF THIS CAN BE, OR PERHAPS EVEN SHOULD BE, WIPED OUT. THERE IS PLENTY OF SCOPE FOR THE SUCCESSOR AUTHORITIES TO MAKE SAVINGS.

MR SPEAKER, IN OPPOSING THIS BILL, THE OPPOSITION OWE IT TO THE HOUSE TO COME CLEAN ON WHAT THEIR POLICY IS.

AND IF THEY HAVEN'T GOT A POLICY, THEN LET THEM BASE THEIR ARGUMENT ON WHAT IS IN THE BILL AND NOT ON THE MYTHS THAT HAVE BEEN PLASTERED OVER ALL THE HOARDINGS IN LONDON AND THE MET COUNTIES.

THEY SAY THAT ABOLITION IS PURE PARTY SPITE. ABOLITION HAS BEEN AND IS SUPPORTED BY LOCAL AUTHORITIES OF ALL POLITICAL PERSUASIONS.

THEY SAY THAT ABOLITION WILL DESTROY LOCAL DEMOCRACY IN THE BIG CITIES. NEARLY 4½ THOUSAND LOCAL COUNCILLORS WILL PROVE THEM WRONG.

THEY SAY THAT, AFTER ABOLITION, WHITEHALL WILL TAKE OVER. WRONG AGAIN! ONLY 5% OF SERVICE SPENDING IN LONDON AND VIRTUALLY NONE OUTSIDE LONDON, WILL GO OUTSIDE LOCAL GOVERNMENT.

THEY SAY THE ABOLITION COUNCILS WILL BE REPLACED BY QUANGOS. WRONG AGAIN! ONLY TWO PERMANENT NEW APPOINTED BODIES WILL BE CREATED - THE LONDON PLANNING COMMISSION AND THE MERSEYSIDE MUSEUMS TRUSTEE BODY.

THEY SAY THERE WILL BE NO SAVINGS, ONLY COSTS. THERE WILL BE SAVINGS AND IT IS THE RATEPAYER WHO WILL BENEFIT.

MR SPEAKER, ABOLITION OF THESE SEVEN AUTHORITIES WAS A CLEAR MANIFESTO PLEDGE ON WHICH THIS PARTY FOUGHT AND WON THE LAST GENERAL ELECTION. THIS BILL FULFILS THAT PLEDGE. I COMMEND IT TO THE HOUSE.