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Note

Seen by  
Prime Minister  
and approved.

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Paul Gray Esq  
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4 February 1988

Dear Paul,

ILEA

I am circulating under cover of this letter a copy of the statement my Secretary of State will be making today. Copies of this letter go to all members of E(EP) and to Sir Robin Butler.

Yours

Chris de Grouchy

C G L DE GROUCHY  
Private Secretary

THE ORGANISATION OF EDUCATION IN INNER LONDON  
STATEMENT BY THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE

1. With permission, Mr Speaker, I wish to make a Statement on the organisation of education in inner London.

2. The Government has consistently maintained that a single education authority for inner London could be justified only if that authority gave the children and students of inner London a good education service at an acceptable cost.

3. Mr Speaker, ILEA has patently not done that. Its spending is profligate; its service is poor. Between 1981 and 1988 its spending increased from about £700m to over £1 billion - while over the same period its pupil numbers have fallen by 15%. It now spends 52% per pupil more than the Outer London Boroughs; 45% more than Manchester; and 83% more than Birmingham: cities with problems comparable to those of London. This increase in expenditure has in no way been reflected in improved pupil performance, which remains disappointingly low. There is now an urgent need for change.

4. ILEA's failure is partly a failure of political will but it is also a product of its unmanageable size. Its administration is cumbersome, excessively costly and too distant from its clients. The Government wants to improve standards of education in London and to bring costs under control. We decided that the way to do this was to enable each inner London council to become the local education authority for its area.

5. Our proposals are incorporated in Part III of the Education Reform Bill. Three boroughs have already stated their intention to apply for LEA status; other boroughs are known to be considering similar action. But as this positive response to our proposals has emerged there has been a growing view that our

objectives would be better achieved by a single, orderly transfer of education functions in Inner London.

6. The Government has reviewed these developments and has concluded that the time is now right to carry through the logic of its proposals in the interests of better standards and of orderly progress. We therefore propose to table amendments to the Education Reform Bill, while it is before the Standing Committee, to wind up ILEA and to secure the transfer of education responsibilities to local councils from 1 April 1990.

7. We propose that the arrangements for transferring functions should follow closely those established at the time of the abolition of the GLC:

- A Staff Commission will be established to facilitate the process of staff transfer. All ILEA teaching and non-teaching staff working at individual schools and colleges will transfer by order to the employment of the Council concerned. Where appropriate, detriment or redundancy compensation will be available on the terms applying at the time of the abolition of the GLC.
- The arrangements for property transfer will be broadly those set out in the Education Reform Bill. It is likely that the London Residuary Body will be employed to deal with assets which cannot be allocated between boroughs.
- The Education Reform Bill already contains certain counter-obstruction safeguards to protect the interest of the local councils which will be assuming education functions. We shall strengthen these safeguards, introducing the same sanctions as were included in the legislation abolishing the Greater London Council and Metropolitan County Councils.

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8. The Government proposes that each local council should be required to publish in 1989 as a basis for local consultation a development plan, setting out the way in which it proposes to organise the transfer of responsibilities and the service it would propose to run. The Government will issue statutory guidance on the subjects to be covered by such development plans, which will provide the basis for property and staff transfer orders.

9. I recognise that some cooperation will be needed between inner London councils for the maintenance of certain aspects of education provision. I hope that in most cases such cooperation will be secured through voluntary arrangements; these might in certain circumstances need to take the form of joint education committees, requiring my approval under existing powers. Were it to become necessary, there are also powers under the Education Act 1944 to enable me to require groups of boroughs to establish joint education committees in respect of particular functions.

10. The Government proposes to maintain rigorous pressure to control ILEA's expenditure over the next two years. We attach paramount importance to improving the quality of education received by inner London's children. They and their parents have a right to something better. The Government's proposals set out the basis for a more cost-effective and responsive education service for inner London.