



local Govt.

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A083/1309

PRIME MINISTER

Abolition of the Greater London Council
and the Metropolitan County Councils:

C(83)13

BACKGROUND

The Ministerial Group on Local Government Organisation and Finance (MISC 79) recommended that the Greater London Council (GLC) and the Metropolitan County Councils (MCCs) should be abolished. The Cabinet took no decision on these recommendations, but invited the Secretary of State for the Environment to arrange for further studies to be carried out within Government with a view to shortening the period required for the preparation of legislation if the Cabinet eventually decided on abolition (CC(83)1st Conclusions, Minute 7).

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2. An interdepartmental group of officials has carried out this remit. Its report is circulated with the memorandum by the Secretary of State for the Environment (C(83)13). The memorandum recommends abolition of the GLC and the MCCs. It does, however, point out that the report by officials recommends setting up numerous joint boards of local authorities to discharge the functions of the GLC and MCCs: the Secretary of State for the Environment suggests that it would be desirable to try to reduce the number of joint boards by transferring more functions to the boroughs and districts.

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3. The Secretary of State also recommends legislating in the 1984-85 Session of Parliament; abolition would then take effect on 1 April 1986. In case of possible obstruction from the authorities to be abolished, there should be contingent preparations for a short Bill of counter-measures for introduction, if necessary, in the 1983-84 Session. A large number of decisions would be needed for the legislation (and the public consultation that would have to precede it); these should be considered urgently by a small group of Ministers.



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MAIN ISSUES

4. The report by officials covers a lot of ground; and it will not be possible to deal with all the issues tomorrow. The immediate questions to which the Cabinet will need to address itself appear to be as follows:

(i) Should the Government decide to abolish -

(a) the GLC;

(b) the MCCs?

(ii) If so, how will this decision interact with the Government's other decisions on local government organisation and finance?

(iii) What should be the scope and timetable of legislation?

(iv) How should the Government's decisions be announced?

(v) What further work should be put in hand?

Abolition: the GLC

5. Ministers are unlikely to dispute the case for abolishing the GLC. It is not responsible for police expenditure; the Government intends to transfer its responsibilities for public transport to a new statutory body; and it is likely that Ministers will wish to change the arrangements for running the education service in London. That will leave the GLC with even fewer functions than it has now.

6. It may be suggested, as it has been in previous discussions of the subject in MISC 79 and elsewhere, that there is a need for a body which can 'speak for London'. Not all of your colleagues may agree that such a need exists; but even if it does, it is not something which has to be addressed now: it can be left for later, more detailed consultation.



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Abolition: Metropolitan Counties

7. The case for abolishing the MCCs is weaker than that for abolishing the GLC. New organisations, covering much of the same geographical areas as the present metropolitan counties, would need to be set up to discharge local authority functions in respect of services such as the police. Paragraph 2.7 of the report by officials argues that such bodies should be joint boards, that is, new independent corporate entities, controlled by representatives of, but legally distinct from, the relevant boroughs or districts. If there is a large number of such joint boards (C(83)13 suggests six for each metropolitan area), the Government will be accused of multiplying public bodies for no good reason; and there is the danger that single-purpose joint boards will act as pressure groups for additional expenditure on the services for which they are each responsible. On the other hand, if joint boards are amalgamated, so that they cover more than one service, they will soon look much like the MCCs under another name.

8. If, despite these difficulties, the Cabinet favour abolition of the MCCs they will no doubt wish to endorse the wish of the Secretary of State for the Environment to eliminate joint boards by transferring more responsibilities to individual boroughs and districts; but the issues have been studied thoroughly by officials; and Ministers would need to be aware that at least some such transfers may either be impossible or carry severe penalties in terms of efficiency (the police and fire services are obvious examples).

Relation with other measures

9. Paragraph 2 of C(83)13 says that it may be necessary to consider the case for placing any new joint boards under some form of financial control. If Ministers decide in favour of a scheme of direct control of the rates or expenditure of individual local authorities it would indeed be natural to subject joint boards to similar control. (This would not, however, be possible for joint committees of local authorities: since joint committees have no separate legal existence, sanctions under a control scheme would have to apply to the constituent authorities and not to the committee itself).



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10. If, on the other hand, the Cabinet were to decide against a system of direct control of local authority rates or expenditure, it might not be easy to justify subjecting new joint boards to such control. Ministers would presumably wish to argue that abolition of the GLC and MCCs would tend to promote greater responsibility in the control of expenditure; and it might not be easy to justify imposing a new form of control on the Government's own creations.

Legislation.

11. If the Government attempted to legislate in the 1983-84 Session it is clear from C(83)13 that there would be a serious risk that the legislation would be defective. Moreover, given -

- (a) that it seems unlikely that legislation in 1983-84 could be effective before April 1986 - the same effective date as legislation in 1984-85;
- (b) that it would be desirable for any legislation on reorganisation to be drafted in the light of legislation on control of local authority rates or expenditure; and
- (c) that if there is legislation on control of rates or expenditure in 1983-84 it would impose a very heavy burden indeed on the same Ministers and officials as would be responsible for the legislation on reorganisation,

it seems likely that the Cabinet will endorse the proposed timetable.

12. But if it is necessary to legislate to counter obstruction by some local authorities, it will obviously be necessary to do so quickly. That would mean being prepared to introduce a short separate legislation, simply to prevent obstruction, in 1983-84.

Announcements

13. Ministers would presumably wish to announce their decisions in outline as part of their election campaign and to promise a Green or



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White Paper, setting out the details, soon after their return to office. The first announcement would need to cover, in brief but clear terms:

- (a) the decision whether or not to abolish the GLC, the MCCs, or both;
- (b) the timing of any legislation and when it was expected to come into effect;
- (c) the intention, if necessary, to legislate quickly in order to prevent obstruction;
- (d) the relation with any decision on control of rates or expenditure.

The subsequent Green or White Paper would cover, besides further details of (a) to (d) above:

- (e) details of how individual services might be reorganised;
- (f) the constitution of joint boards (or whatever other bodies might take responsibility for services previously run by the GLC or MCCs);
- (g) arrangements for transferring staff and property;
- (h) the implications for block grant and equalisation arrangements;

and probably:

- (i) whether or not elections would be held in May 1985, even though the authorities for which elections were being held would be due to disappear less than a year later.

Further work

14. Officials have now produced two comprehensive reports (the present one and the previous report to MISC 79); and there is probably not

much more that they can do until public consultations can go ahead and Ministers are ready to take decisions on crucial details. It may, however, be useful to invite the Secretary of State for the Environment to arrange for officials to study possible means of reducing the number of joint boards that are currently envisaged.

15. The question of whether any special arrangements would be needed at Ministerial level to handle work on the legislation can be considered after the Election.

HANDLING

You will wish to invite the Secretary of State for the Environment to introduce his memorandum. Other Ministers with responsibilities for local government services (Home Secretary, Lord Chancellor, Secretary of State for Education and Science, Minister of Agriculture, Fisheries and Food, Secretaries of State for Transport, Social Services, Employment and Trade) will wish to comment from that standpoint. They, and no doubt all other members of the Cabinet, will wish to discuss the more general political aspects. The Lord President of the Council and the Lord Privy Seal may wish to comment on the implications for the legislative programme.

CONCLUSIONS

17. You will wish the Cabinet to reach conclusions on the following.

- (i) Should the Government decide to abolish:
 - (a) the GLC;
 - (b) the Metropolitan County Councils?
- (ii) If so, what should be the timing and scope of the legislation:



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- (a) to give effect to those decisions; and
- (b) to prevent obstruction?
- (iii) How should the Government's decisions be announced?
- (iv) Arrangements for further work.

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ROBERT ARMSTRONG
Cabinet Office.

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