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MISC 95 (83) 3

COPY NO

15 July 1983

1 (2)

CABINET

Prime Minister

The annex

MINISTERIAL GROUP ON THE ABOLITION OF THE GREATER
LONDON COUNCIL AND THE METROPOLITAN COUNTY COUNCILS

is worth reading;

and paras 2 and 3.

MW 15/7

ABOLITION OF THE GLC/MCCs - SECURING STAFF SAVINGS

Memorandum by the Minister for Local Government

1. In MISC 95 (83) 1, I indicated that officials were looking again at the possibilities of controlling staff numbers on abolition to avoid up-grading of staff and over-large establishments. We shall need to return to this subject in detail when officials have completed their work and when the legal implications of the EC directive are clearer. Meanwhile, I should like to draw colleagues' attention to some general points which are emerging. We must attack these problems vigorously if we are to deliver significant savings.

BACKGROUND

2. Details of present staff engaged on GLC/MCC services are annexed. In summary, they are as follows:

Estimated numbers of staff currently engaged on services to go to:-

	<u>GLC</u>	<u>MCCs</u>	<u>Total</u>
Joint Boards (operational and direct support staff)	65,800	50,000	115,800
Boroughs/districts	10,170	16,600	26,770
Other bodies (eg Thames Water Authority)	1,330	-	1,330
Sub Total	77,300	66,600	143,900
Central Administration	2,700	3,000	5,700
TOTAL	80,000	69,600	149,600

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3. Officials have estimated that there are potential staff savings in the range of 3,000-8,000, leaving aside any savings that might be made in operational and direct support staff of services going to joint boards. Ministers have not considered these estimates in detail but I am in no doubt that we must seek savings at the upper end of the range.

STAFFING IN SERVICES GOING TO JOINT BOARDS

4. Over three quarters of GLC/MCC staff are engaged in services going to Joint Boards (including perhaps half the central administrative staff). These are the big battalions and we must secure savings. It should be technically feasible (far easier than controlling staff in the boroughs districts); the financial control which I have proposed should operate for joint boards for the first two or three years might be used to deliver savings or, if necessary, we could supplement it by specific staff controls.

5. I appreciate that action to enforce savings in joint board areas of work, even though technically feasible, will present difficulties for colleagues. But I believe that consideration must be given urgently to:

- (a) what savings are feasible in joint board services; and
- (b) whether we shall need specific staff controls to deliver these savings and, if so, what form they might take.

STAFF IN SERVICES GOING TO BOROUGH/DISTRICTS

6. This leaves the smaller, but important number of staff in services going direct to the lower tier. About a quarter of staff (including perhaps half the central administrative staff) are engaged in services going to the 68 boroughs and districts. With the maximum staff savings previously identified, most of the receiving authorities would be adding between 2% and 3% to their staff numbers.

7. Direct control of staffing levels in the receiving authorities looks impractical. We would have to apply it to all 68 authorities and to all of their services - otherwise control could be circumvented by simply switching staff between services. The staff levels would have to be worked out and controlled on a service by service basis by individual Secretaries of State and substantial numbers of extra staff would be needed in my Department and in other service departments. Any attempt to impose control levels in boroughs/districts would come under political and legal challenge.

8. However, we can rely on the following:

- (a) to the extent that these authorities are "high" spenders they will be caught by the selective financial control system. We intend that this should apply to between 10 and 20 authorities, the majority of which will probably be London boroughs and metropolitan districts.

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(b) quite apart from those authorities caught by selective control, authorities generally would be subject to the pressures of the rate support grant system.

9. Nevertheless, I have asked my officials to have a further look to see what more might be done to reinforce the pressures on the boroughs and districts to economise on staff.

EC DIRECTIVE

10. My Department's lawyers are discussing with their colleagues in the Attorney General's Office the effect of the EC Acquired Rights Directive on staff transfers arising from abolition. If we are required to apply the directive widely, staff would have to be made redundant after, rather than at the time of, transfer and this would make staff savings much more difficult. The directive raises important policy issues on a number of transfer exercises, and I think it important for us to develop a consistent line under the leadership of Treasury Ministers.

CONCLUSIONS

11. I invite colleagues:

- (a) to note the critical importance of achieving staff savings;
- (b) to look at the scope for savings in their services (including those going to joint boards);
- (c) to note the need for clear guidance from Treasury Ministers on the policy to be adopted in response to the EC Directive.

I B

Department of the Environment
2 Marsham Street
London
SW1

15 July 1983

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MFO.



10 DOWNING STREET

From the Private Secretary

cc: JES
DHSS
D/T x1
CSO, HMT
LPS
DM

18 July 1983

D/Trans.
Ld. Gowie

HO

CO

bc Nick Owen

The Prime Minister saw over the weekend the Minister for Local Government's paper (MISC 95(83)3) on the Abolition of the GLC and the Metropolitan County Councils, in relation to staff savings.

Bf
The Prime Minister has commented that she does not believe the figures in this paper, and she would be grateful for a further breakdown, in particular of the figuring which leads to the estimate, in the Annex to the paper, that 5,700 staff are engaged in central administration in the GLC and MCCs out of a total of 149,600.

I am sending a copy of this letter to the Private Secretaries to the members of MISC 95 and to Richard Hatfield (Cabinet Office).

M.C. SCHOLAR

John Ballard, Esq.,
Department of the Environment.

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DS



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

29 July 1983

Dear Lear,

ABOLITION OF THE GLC/MCCs - SECURING STAFF SAVINGS

At the second meeting of MISC 95 we discussed Irwin Bellwin's paper on securing staff savings and agreed on the importance of securing substantial staff economies on abolition. We now need to decide what savings are feasible and how we are going to secure them. This is urgent because, although we need not spell out our proposals in the White Paper, we must be clear before it issues that we can secure the kind of savings we are contemplating.

I am examining carefully the scope for savings in my own services and in central services. I should be grateful if you and other colleagues concerned could carry out a similar exercise and let me have an early indication of the level of savings which you consider feasible in the GLC/MCC services for which you are responsible. A table showing current staff numbers is attached.

We also need to consider whether, in order to deliver the savings we need, we should supplement the proposed financial controls on joint boards with specific measures to control staff in joint board services in the first year or two after abolition. I should be grateful for your views - and those of Keith Joseph and Tom King - on this point, and on the kind of measures which might be feasible.

Ideally, controls over staffing of the services to go to lower-tier authorities would have to apply to all the services of the 68 authorities. The staff levels would have to be worked out and controlled on a service by service basis by individual Secretaries of State. This looks impractical, but we must explore whether there are any measures, going beyond simple monitoring but falling short of overall control, which would help us to secure savings especially in the big blocks of staff in, for example, highways, housing and central services. One possibility would be to apply pressure at the top by controlling the number of posts over a specified salary. My officials are looking into this, but I should be grateful for colleagues' views on these propositions and any other measures which might be feasible for their services.

I should appreciate a response on these points by mid-August.

We must publish our White Paper on abolition in September. This means that officials will have to do a lot of work through August, so that we have a full draft to consider at the beginning of September. My officials will be circulating a first draft shortly for comment, and it would be helpful if your officials are able to respond quickly.

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I am copying this to other members of MISC 95, the Lord Chancellor, the Minister for Agriculture and the Minister for the Arts, and to Sir Robert Armstrong.

Yours ever
Patrick

PATRICK JENKIN

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APPROXIMATE STAFFING POSITION IN 1982 OF SERVICES TO BE REORGANISED

Service	Staffing (full-time equivalents)	
	GL	MCs
1 ILEA	58,000	---
2 Police (direct support)	---	6,500
3 Fire		
a) uniform	6,900	10,100
b) direct support	900	1,300
4 Public transport (mainly airports)	?	2,000
5 Waste disposal	750	1,900
6 Civil defence	40	50
7 Food and drugs	---	?
8 Animal health	---	?
9 Trading standards	---	700
10 Smallholdings	?	?
11 Tourism	?	?
12 Assistance to Industry	?	?
13 Historic buildings	30	---
14 Planning	400	800
15 Housing	4,700	---
16 Building control	500	---
17 Highways	1,500	7,000
18 Other services (mainly Crossing patrols)	?	1,000
19 Arts and recreation, Parks and Green Belt.	1,500	550
20 Flood protection	300	---
21 Central Services	2,700	3,000
22 Unidentified staff	1,780	2,600
Sub-TOTAL: direct employees of GLC, ILEA and MCCs 80,000		37,500
Staffing of associated services		
23 Police (uniform)	---	31,500
24 PTEs	---	<u>35,000</u>
25 Magistrates' Courts and Probation and After Care	1,600 *	3,000
TOTALS	81,600	<u>107,000</u>

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NOTES TO TABLE

1. Key to symbols:
 - not applicable to that authority
 - ? not known
 - [] provisional
 - * Outer London only

2. FTA and London transport planning staff are included in GLC/MCC figures not in those for PTEs.

3. Figures are estimates for December 1982 from the Joint Manpower Watch, from GLC/MCC Annual Reports, and from Departments' advice, with very approximate allowance for part-time working.

Lochm Gov: Relation: Pt 16

- 5 AUG 1983





cc PS/L Bellwin

PS/M Waldegrave

PS/Sir Gootley

PS/PH Wang

M DeLaford

Dr Holgate

Mr Phillips

Mr Rowcliffe

2 MARSHAM STREET

LONDON SW1P 3EB

01-212 3434

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and to Sir Robert Armstrong.

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Patric

PATRICK JENKIN

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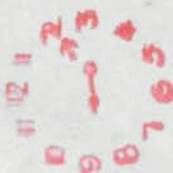
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10 June 1983





OFFICE OF ARTS AND LIBRARIES
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WJW

From the Minister for the Arts

8 August 1983

The Rt Hon Patrick Jenkin MP
 Secretary of State for the
 Environment
 2 Marsham Street
 London SW1

Dear Patrick,

ABOLITION OF THE GLC/MCCs: SECURING STAFF SAVINGS

Your letter to Leon Brittan of 29 July ^{attached} asked for an indication of the level of staff savings that might be feasible in those services of the GLC and MCCs in which each of us has an interest.

My own interest is limited to the staff involved with arts provision, a much narrower category than the figures given in line 19 of the annex to your letter. As you know, the arts are generally subsumed in local authority provision for leisure and recreational services, and I would expect a large part of the numbers quoted to be concerned with parks and sports provision, rather than the arts. I can give no separate figures for the number of staff involved in arts activities alone in each authority, but these would fall into two main categories, a majority of specialist staff concerned with running the authority's museums, art galleries and theatres (if any), and a few administrative staff concerned with grant-giving and general support to local performing arts.

We are asking the GLC and the metropolitan counties to give us figures of the numbers of staff employed in their arts institutions and my officials will forward these when they are to hand. But I do not think we should expect significant staff savings in the arts field, given that our policy will be to preserve if at all possible those institutions for which the authorities in question are directly responsible, and to continue, using the lower tier authorities, a substantial measure of support to the performing arts companies which they at present assist.

I am copying this letter to the recipients of yours.

*Yours,
 T. J. W.*

LORD GOWRIE

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