



CCN.O.
Prime Minister

For Cabinet tomorrow

MCS 27/7

PRIME MINISTER

Abolition of the Greater London Council (GLC) and
the Metropolitan County Councils.

The Ministerial Group on the Abolition of the GLC and the Metropolitan County Councils (MISC 95) has met twice under my chairmanship. This minute reports our conclusions. I have sent you a separate minute about the financing of joint boards, with particular reference to the police and fire services.

pt. 15 The Cabinet agreed on 10 May (CC(83) 17th Conclusions, Minute 3) that we should introduce the main legislation early in the 1984-85 Session with the aim of completing the transfer of functions by 1 April 1986. This would involve announcing our proposals fully and beginning consultations not later than October this year.

The Group has considered the following main questions:

- (i) the reallocation of functions;
- (ii) the constitution of joint boards;
- (iii) financial implications, including the application of financial controls to joint boards;
- (iv) the property and staff implications of the transfer of functions; and
- (v) implementation and how to counter obstruction.

(i) Reallocation of functions

As many functions as possible should be transferred to the districts and boroughs: in addition to those already decided, waste disposal, planning and trading standards should be treated in this way. Where cooperation between authorities is needed for these functions, we propose to rely on voluntary arrangements, backed up where necessary with reserve powers.

Joint Boards will be needed to deal with fire, police in the Metropolitan Counties, and education in inner London. The Group has concluded, reluctantly, that they are also needed as Passenger Transport Authorities (PTAs) for public transport in most Metropolitan Counties (MCs). There are some areas, however, which might be exceptions to this pattern. The White Paper will make it clear that the Government will consider on their merits proposals from particular district councils to set up separate municipal services.

MISC 95 considers that it would be right to transfer to the proposed PTAs responsibility for the five airports in which the Metropolitan County Councils have a stake. However, in view of the strong local feelings about certain of the airports, the White Paper will not exclude the possibility of transfer to district level.

The Group considers that so far as possible the districts and boroughs should take over the responsibilities of the GLC and MCCs for supporting the Arts; but that special arrangements may be necessary to deal with some institutions of major national or regional importance. Subject to agreement between the Chief Secretary and the Minister for the Arts on the financial and manpower implications, the White Paper will set out this general policy. But it will be drafted in a way which enables us to keep the maximum pressure on lower-tier authorities and the private sector to provide support for as many artistic institutions as possible.

(ii) Constitution of joint boards

The Group has agreed that joint boards in MCs should consist of two members from the smallest authority in each area, with other seats allocated in proportion to the size of the electorates of nominating authorities. This links numbers of representatives to numbers of electors represented. Application of this method to the successor to ILEA, however, would produce a 36-member authority which, considering the amount of work to be done and the continuing obligations which members would have in their own boroughs, would not be large enough. The Group agreed that 48-50 members would be preferable: the arrangements necessary to achieve this are being reviewed. To avoid monopoly political control of these boards, the Minister for Local Government has proposed an arrangement under which each authority nominating representatives would be obliged to have regard to its party balance. The constitution agreed by the Group for boards in the MCs would produce a very large and unwieldy joint board for fire in London. We have concluded that this board should consist of a single nominee from each borough. The diversity of political control of the boroughs would be sufficient guarantee against political monopoly.

The basis of tenure of members of joint boards should be compatible with the electoral cycles of the nominating authorities.

(iii) Finance

Finance is an area in which we still have much work to do. I have minuted you separately on the question of how, in particular, police and fire joint boards should be financed. When a decision has been taken, it will be necessary for the Group to consider the implications for financial arrangements for other joint boards. In the meantime the Secretary of State for Education and Science is preparing proposals for the financing of ILEA; and the Secretary of State for Transport is preparing proposals for the financing of PTAs.

Whatever the longer-term arrangements for the financing of joint boards, the Group considers that there is a strong case for subjecting them to budgetary control by the Secretary of State concerned for the first two or three years of their existence, and then acting firmly to ensure that new structures are economical.

(iv) Transfers of property and staff

The transfer of property poses no insuperable problems of principle. In general, property will follow functions. Special arrangements will be needed to deal with property associated with more than one function or about which disagreements arise. These principles are enough for the drafting of the White Paper: we shall need to return to the details at a later stage.

It will be important to achieve substantial staff economies from abolition. The Group has invited the Minister for Local Government to discuss with colleagues concerned the levels of staff savings which we should seek to achieve on services going to joint boards. He is also looking further at the total savings which we should seek to achieve. The Group has not decided whether or not to impose specific staff controls on joint boards. But it accepts that there is a strong case for them as a logical extension of our view on the need for transitional control over the finances of joint boards.

The Chief Secretary is considering the implications for the Group's work of the EC Directive on Acquired Rights of Employees of Transferred Undertakings and will be reporting as soon as possible.

We need to win over the staff affected by abolition - or it will be delayed by lack of cooperation. This means complementing a tough policy on staff savings with a balanced package of terms. The Group has agreed in principle to proposals on these matters, subject to any detailed points that the Chief Secretary may put forward. Staff dealing with transferred functions who are retained will go on current terms. Any staff moving to less

well-paid posts will be compensated for the detriment. For most of those made redundant, existing local government day-to-day redundancy terms will apply. For staff aged between 41 and 49, however, these terms are considerably less favourable than normal practice in the public sector; and for this age group the same terms should apply as in the National Health Service and New Towns. The Group considered that there could be circumstances in which redundancy terms more favourable than these for some or all of the under-fifties might have to be provided; but that this should be done only if it became clear from negotiations that it was necessary to the successful completion of the exercise.

(v) Implementation and Obstruction

A Bill to defer the GLC and MCC elections due to take place in 1985, and to counter obstruction if necessary, is included in the legislative programme for the current Session. MISC 95 agrees that we should avoid any statement in the immediate future about our determination to combat obstructive behaviour, since that might itself provoke obstruction. We would need to be ready to act quickly, however, if such behaviour began to occur. The Minister for Local Government is urgently preparing a paper on the extent to which existing legal penalties might prevent or combat obstruction. He will be considering how particular types of obstruction might best be dealt with and making firm proposals for such legislation as he believes may be necessary this Session. The Group will return to this question well before the end of the Summer Recess.

Because of the possible need for urgent action, it would be helpful to begin drafting legislation. I therefore hope that I may ask Parliamentary Counsel to begin drafting as soon as MISC 95 has decided the policy.

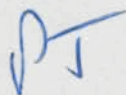
(vi) Miscellaneous

The Group has decided that any political pressure for statutory provision for a body representing London should be resisted; such a body could well become a focus for the sort of pressures we already have from the GLC. The White Paper will suggest that it is for the boroughs to consider whether any arrangements are needed and to establish them through voluntary cooperation. But it will indicate a willingness to consider other proposals.

Finally, the Group has agreed that the Minister for Local Government should make clear his willingness to receive preliminary views from those affected by abolition, and may authorise officials to hold meetings with interested bodies which wish to put forward their views orally.

If we are to keep to our timetable, we must continue to press ahead. I intend to hold a meeting of the Group in early September to resolve as many outstanding issues as possible and to consider the first draft of a White Paper based on the proposals in this minute.

I am copying this minute to other members of the Cabinet, the Attorney General, the Minister for the Arts, and the Minister for Local Government, and to Sir Robert Armstrong.



PJ

27 July 1983

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