

PRIME MINISTER

Horace Cutler (flag A) wrote to tell you that the GLC's election manifesto would advocate direct election for ILEA. Your weekend box includes elsewhere Lady Young's report to H, which will be discussed next week. They are likely to reach a majority view that no change is the least unsatisfactory conclusion.

Lady Young has had a meeting with David Smith, the Conservative Leader of ILEA; note at flag B. Smith has also come out in favour of direct elections, although he seems much more positive about retaining the present form of unitary authority. I believe that Horace Cutler's personal views are not necessarily representative of Conservatives on the GLC.

Lady Young is not happy with Horace Cutler's series of complaints to you about her work on the subject. She made it clear early on that she was at his disposal any time, but he has simply not responded.

At the meeting on Monday, you will need to assess the likelihood of GLC Conservatives running on a platform divergent from the Government decision on the future of ILEA, and see whether Horace Cutler and his colleagues can be persuaded to go slow on this if a clash seems likely.

GR
You might also be interested in the letter at C, from Dick Tracey who has an interest as a school governor, and as a local Conservative with close links with the leaders of Wandsworth Council - which is where the overt move to break up ILEA first developed.

YAD

12 December 1980

PRIME MINISTER

The future of ILEA will be considered further by H Committee on Monday. Here is Lady Young's supplementary report. The report does not positively recommend any of the alternatives for additional financial controls.

I understand that H Committee is likely to decide - not unanimously - against any changes in ILEA on the basis that none of the plausible proposals identified offer sufficient guarantee of meeting the shortcomings identified by Lady Young's group.

I have suggested that it would be useful for Cabinet to take a final decision. The Home Secretary is therefore likely to report to you, in a minute copied to colleagues, about the conclusions reached by H, the divergence of opinions in the Committee and the political importance of the decision finally reached. This will provide a basis for you to have the matter discussed in Cabinet.

Content to handle in this way?

Yes mt,

MAD

Spoke Cabinet office

ra
MAD 15
12.11.

12 December 1980



Education

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FROM THE MINISTER OF STATE

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BF 12/xii

MA

5 December 1980

Dear Michael,

Your letter of 26 November asked for a note of the conversation to take place between Lady Young and Professor David Smith.

Lady Young met Professor Smith on Wednesday 3 December, and I attach a factual note of the proceedings.

Yours sincerely
Jimmy

h MISS A J STEWART
Private Secretary

B

Professor Smith did not believe that the ILEA should be left as it was, particularly since the extreme left wing of the Labour Party was likely to bring about an increasingly leftwards shift in the Authority in future. He was worried too by the present lack of financial accountability. So far as the provision of education was concerned, he felt that some of the anxieties voiced by the Baker Committee in their Report had been justified by the Inspectorate Report on the ILEA, in particular on secondary education.

Professor Smith stressed that he was no longer in favour of the break-up of the Authority. Attendance at many public meetings had impressed upon him that there had been an upsurge in popular opinion in favour of the retention of the ILEA. And he believed that there would be grave political consequences in going for break-up in the period leading up to the May elections.

Professor Smith said that he wanted to see a unified authority, with the possibility of Conservative control at times exercising a moderating influence. He and his colleagues would be in favour of a directly elected authority: there should be an opportunity for direct public involvement in elections. He pointed out that the School Board of the Isle of Man was directly elected. His guess was that an organisation of this type might well have the support of Labour moderates, who shared Conservative concern at the leftward swing of the majority party. He speculated that, under a directly elected system, the Conservatives might have won the 1977 election, and might be expected to do so in 1981. It was interesting to note that public interest in the Water authorities had arisen only since direct billing of water rates.

Professor Smith was not in favour of the Marshall option. Neither did he think that it would be desirable to transfer ultimate responsibility for ILEA to the GLC. In his view, GLC members would be too hard-pressed by this additional responsibility to perform these new functions adequately.

8 DEC 1980

