

PRIME MINISTER

THE FUTURE OF ILEA

1. You asked me to report on the proposal made by Sir Horace Cutler and Professor David Smith that the outcome of the Government's inquiry should be a Green Paper which would rule out the break-up of ILEA and canvass the possibility of changing its constitution so that its members were directly elected. This would be a modern version of the London School Board which existed between 1870 and 1904. The Herbert Commission of Local Government in Greater London, which reported in 1960, considered and rejected the possibility of reintroducing a School Board for inner London's education system. IL Committee discussed this "School Board Option" in paragraphs 27-28 of its report to H Committee, and recommended against it. H Committee agreed with this judgment.

2. A directly elected ILEA would be an improvement on the present arrangement (and also to some extent on the Marshall Option) insofar as it created a direct and obvious link between inner London ratepayers and the LEA for the area. It would plainly make ILEA directly accountable to those ratepayers. It would put them on a par with other ratepayers in England by enabling them to elect directly all the members of their LEA.

3. It is a matter for judgment whether those who would turn out to vote for a directly elected ILEA would be more concerned to reduce its call on the rates or to support increased expenditure on education. But it is clear that, because ILEA's members would not have to balance the claims of education against those of other services towards which the inner London ratepayers contribute, they would not be subject to a form of financial discipline which is intrinsic to the Marshall Option. This is a serious drawback, since H Committee did not share Professor Smith's confidence that the block grant system and the clear identification of ILEA's precept would provide sufficient incentives to financial responsibility.

4. The implementation and the political consequences of the direct election of ILEA members are by no means easy or certain.

5. We could use the GLC constituencies. This would create an authority with 35 members, soon to be reduced to about 28. Even with some members co-opted to the Education Committee (as is normal) this would almost certainly be too small a membership for the effective discharge of ILEA's responsibilities; it might therefore be necessary to have two members elected from each constituency. Alternatively, the constituencies for direct election could be specially created. This would have to be entrusted to the local Government Boundary Commission, whose other work might thus have to be delayed.

6. Our supporters in ILEA believe that in an election fought on educational issues there would be strong support for our policies which emphasise standards. Educational issues would be most likely to be prominent if elections to ILEA were held in a year in which there were neither GLC nor London borough elections. But there would be a cost of at least £1m per election, and there could also be a low turn-out. We have no experience of elections for a major single-purpose local authority. These could result not in a clear majority for one of the major parties, but in a number of parties, some of them based on local or educational pressure groups, gaining sufficient representation to prevent any clear majority emerging. Local party organisations are likely to be hostile to a change which might have unforeseeable results.

7. Our supporters in ILEA are advocating the retention of a single LEA for inner London based on the School Board Option, because they do not favour the Marshall Option but nevertheless feel that some change in ILEA's constitution is needed. I believe, however, that if the Marshall Option is not to be preferred to the status quo, the School Board Option is even less to be preferred because it provides less incentive to financial responsibility without giving grounds for confidence that it will give rise to a more acceptable composition of the membership.

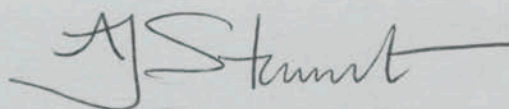
8. The case for a Green Paper rests on our willingness to entertain more than one option for ILEA's future. If, for example, the Cabinet saw merit in both the status quo and the Marshall Option, a Green Paper would be an apt instrument for canvassing both options. It would also be possible to include in a Green Paper the pros and cons of the School Board Option, but if Cabinet agrees with the recommendations made by IL and H Committees it would have to be made clear that these had been considered and the option ruled out. But whatever its contents, a Green Paper would have the disadvantage that it would leave ILEA's future uncertain, and this would make it much harder to achieve our objectives for education in inner London. ILEA is most likely to take effective action to remedy the weaknesses identified in the HMI report, if its members can make longer-term plans in the knowledge that the constitutional issue is settled, and if the teachers, whose co-operation is essential, are not confused by uncertainty about the future arrangements under which they will be working. Even an unequivocal Government statement that ILEA is not to be broken up will leave lingering doubts on that score if the constitution of ILEA remains unsettled.

9. In my view, the alternative to a Green Paper is a White Paper which would explain in detail the reasons for not breaking up ILEA, the reasons why certain options had been rejected, the arguments in favour of the Government's decision and how that decision was designed to improve the education service in inner London. If we felt that, like the original decision to create ILEA, the present

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decision should be subject to review in due course, we should make it clear that this review would not take place before say 10 years had elapsed. That would be sufficiently far ahead to encourage the necessary improvements in inner London's education to be made meanwhile.

10. I am sending copies of this to members of Cabinet, including the Minister of Transport, the Chief Whip and Sir Robert Armstrong.

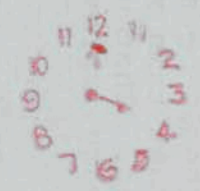


BARONESS YOUNG  
(dictated by Lady Young and  
signed in her absence)

31 DEC 1980

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Education

10 DOWNING STREET

From the Private Secretary

5 January 1981

The Prime Minister was grateful for Lady Young's minute of 31 December in which she reported on the suggestion that the outcome of the Government's inquiry into ILEA should be a Green Paper ruling out the break up of ILEA and canvassing the possibility of a direct elections system.

pc 2 The Prime Minister would now like Cabinet to consider the issues which have been raised in the discussions on ILEA. She is content that Cabinet should do so on the basis of the Home Secretary's minutes of 21 November and 18 December and Lady Young's minute of 31 December.

I am sending copies of this letter to John Halliday (Home Office), Peter Shaw (Department of Education and Science) and David Wright (Cabinet Office).

M. A. PATTISON

Miss A.J. Stewart,  
Department of Education and Science.

CS

PRIME MINISTER

Lady Young responds below to the Cutler/Smith proposal for a Green Paper on ILEA, forecasting a continued single authority but canvassing the direct elections option. You will see that Lady Young is not attracted by this approach. She would like Cabinet to reach a firm decision on a single authority and between the Marshall and the status quo. She argues that direct elections are too much of an unknown quantity, and that the preparatory work would be considerable.

This argument is now starting to go in circles. The issues have been worked over thoroughly, and the main points are set out in the Home Secretary's minutes of 21 November (flag A) and 18 December (flag B). The GLC's preferences have been further considered with Lady Young's new paper.

Agree that Cabinet should now be invited to consider the recommendations of H Committee as reported in the Home Secretary's two minutes and that Lady Young's note be taken into account in the discussion?

Y  
ho  
ms.

2 January 1981