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DEPARTMENT OF EDUCATION AND SCIENCE
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TELEPHONE 01-928 9222
FROM THE SECRETARY OF STATE

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Prime Minister

This seems fine.

Agree to its circulation

and to the issue

going on the Cabinet
agenda?

To expedite the

19 April 1983

local gov^t/rates work

This should be as soon as possible.

But would you wish circulation

M Scholar Esq
Private Secretary
10 Downing Street
LONDON SW1

Handwritten initials: MS

Dear Michael,

FUTURE OF ILEA

Following the meeting with the Prime Minister last week my Secretary of State has revised his paper for Cabinet on the future of ILEA. I attach a copy of the revised version for consideration by the Prime Minister.

and
discussion

I should point out that paragraph 4 opens up the issue of more favourable representation on a Joint Board for Westminster and the City, which would involve a departure from a well-entrenched electoral principle. This is of course a matter in which the Home Secretary would have a close interest.

delayed

until

after May 5?

Yours ever

Inogen Wilde

MCS 20/4

Mrs I Wilde
Private Secretary

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10 DOWNING STREET

From the Private Secretary

22 April 1983

Future of ILEA

Thank you for your letter of 19 April, and the attached draft paper on ILEA.

The Prime Minister agrees to its circulation, and to a Cabinet discussion of this issue. I believe that the most likely date for a discussion at Cabinet will be Thursday 12 May, and I imagine therefore that you will be circulating the paper sometime on or after Friday 6 May.

I am sending a copy of this letter to Richard Hatfield (Cabinet Office).

M. C. SCHOLAR

Mrs. Imogen Wilde,
Department of Education and Science.

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19 April 1983

CABINET

FUTURE OF THE ILEA

Memorandum by the Secretary of State for Education and Science

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1. The Inner London Education Authority (ILEA) - details at Annex A - is legally a special committee of the Greater London Council (GLC). The abolition of the GLC would open the way for improving the arrangements for education in inner London. I recommend a scheme which retains the advantages of what exists and removes its worst defects.
 2. A single education authority for the whole of inner London has proved advantageous in two important respects:
 1. it has secured further and higher education, much of it serving students from far beyond inner London, which is - despite some notorious blemishes - in general good and economically run;
 2. it serves, much more than the GLC, as an instrument for redistributing for local government purposes the exceptionally high rateable resources of Westminster and the City of London: some £400m a year, which could otherwise be obtainable only from a Government-imposed levy on these 2 authorities, or from the Exchequer or other, poorer, local authorities outside London, is made automatically available through the education precept for inner London.
- A better single authority
3. But as now constituted the single authority has shown glaring weaknesses. In particular its schools, notably the secondary schools, are not performing well despite very high expenditure and much waste. To tackle this problem I propose that the ILEA should

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be replaced by a Joint Board, consisting entirely of nominees of the 12 inner London boroughs and the City of London. The authorities whose ratepayers pay the education precept would then in effect be responsible also for the education element in their rate levy. This bringing together of managerial and financial responsibility is bound to encourage a greater degree of financial prudence.

4. Although the representatives of each borough would collectively determine an education precept which would be the same for all ratepayers, the ratepayers of Westminster and the City would provide about half of the Joint Board's rate-borne income. It is a well-established electoral principle that each elector's vote should be given as nearly as possible equal weight; but the wholly exceptional incidence of the Joint Board's power to tax might justify an arrangement which allowed the City and Westminster a more generous representation on the Board than would follow from the strict application of this principle.

5. If the principle underlying this approach were acceptable, further work would be necessary to devise a satisfactory scheme.

6. If it turned out that the Joint Board did not budget more prudently than the ILEA now does, it would be open to us to consider making its precept subject to control by the holder of my office, whether or not we decide to introduce controls on local authority rates or expenditure. This exceptional measure could be justified on the ground that the Joint Board would be a uniquely large single-purpose precepting authority which was not directly elected and ought therefore to be subject to an appropriate wholly exceptional external control.

Conclusion

7. I invite my colleagues to agree that, if the GLC is abolished, the legislation should establish a single local education authority constituted as a Joint Board on the lines set out in paragraphs 3 and 4, to run education in inner London.

Department of Education and Science

KJ

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CONSTITUTION AND FUNCTIONS OF ILEA

1. ILEA is the local education authority for the area covered by the City of London and the 12 inner London Boroughs. It is a special committee of the GLC, its membership consisting of:

- i. all of the (35) councillors elected to the GLC from the inner London area;
- ii. one member appointed by each of the 12 Boroughs and the City from amongst their own members.

2. In January 1981 ILEA was providing primary and secondary education for 314,000 pupils (Essex, the next largest LEA, had 257,000 pupils) and further and higher education for 140,000 full and part-time students. Like other LEAs it makes provision for special education, adult education (300,000 students), the youth service and the careers service.

3. ILEA maintains 45 nursery schools, 812 primary schools, 179 secondary schools, 112 special schools, 27 colleges of further and higher education, 30 adult education institutes, 116 youth centres and clubs, residential sports and outdoor centres, 2 museums, 54 teachers' centres and 24 careers offices. It also grant-aids the 5 London polytechnics and gives financial assistance to 8 specialist establishments of further education.

4. In 1980/81 full-time equivalent staffing levels in ILEA (including staff in the polytechnics) were:

teaching staff	33,500
others	32,200

5. ILEA determines its own budget and fixes its own precept (which the GLC has to levy on its behalf). Its net budgeted expenditure in 1982/83 is around £775m, financed largely on the basis of a precept of 71p. This compared with a GRE of £514m. Block grant is not paid direct to ILEA. In 1982/83 the inner London Boroughs received, after hold-back, no block grant in respect of education.

Education
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