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DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

The Rt Hon Patrick Jenkin MP  
Secretary of State for the Environment  
2 Marsham Street  
LONDON SW1 3EB

4 August 1983

*Len Patrick,*

Education in Inner London

Following our discussion of the financial arrangements for police and fire joint boards in MISC 95 I was invited to consider the implications of the points made for Inner London education. We also need to settle the size and composition of the proposed education joint board.

We already face considerable difficulty over the joint board proposal for education in inner London. As you know our supporters on ILEA and many of our London Members are convinced that our proposal for a representative joint board will totally fail to achieve our purposes - financial or educational. Even though ILEA's overall expenditure will be controlled by the rate limitation scheme, they do not believe that a joint board constituted exclusively of Borough nominees would change anything: they argue that the coterie decision of the boroughs will lead to a joint board made up of either party fanatics or the second-rate so that the education authority would be dominated by party objectives and not by educational values; ILEA's tendency to profligacy and to adopt unsound education policies would remain and might even be reinforced.

These Conservatives have therefore urged on me the advantages of a directly elected board for inner London education. They argue that such direct elections would oblige the members of the authority to explain and defend their educational policies to the parents and to the public at large. I recognise that a directly elected board would not be consistent with our manifesto and might be seen as a precedent for other joint boards. Moreover, I realise that it might

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not result in a board that would be any more ready to pursue policies that we desired. But, even if it does not prove possible to go as far in that direction as some of our supporters might wish, I am sure that we need to find some further range of measures which will make the new arrangements more generally acceptable.

First, the composition and size of the proposed joint board. The 36 member board as suggested in MISC 95(83)1 was based on giving two seats on the joint board to the smallest borough with more to the others in proportion to the size of the electorate but with only 1 seat for the City. We need a larger joint board because it would be substantially the largest local education authority in England in terms of the commitment of member time. We also need sufficient numbers to ensure that the joint board's education committee, whose composition I must approve under the Education Acts, can include both a majority of elected members and an adequate representation by cooption for such essential interests as the voluntary bodies, industry and commerce as well as teachers. Another factor is how far the composition of the joint board should reflect the special position of the City and Westminster whose ratepayers would provide about half of the joint board's rate-borne income.

In the light of these considerations I think that we should consider the following steps:

- i. Increasing the minimum representation for the smallest borough to 3 seats with more to others in proportion to the relative size of their electorates. This would produce 50 seats for the boroughs.
- ii. In order to secure a somewhat stronger voice for the City, its representation should be brought into line with the minimum number of seats available to the smallest borough. Thus 3 seats for the City.
- iii. There is much more difficulty about taking account explicitly of Westminster's contribution. I have considered, for example, weighting borough representation according to rateable value rather than size of electorate but this would be a radical departure from normal electoral principles; would produce a very unbalanced outcome in London; and, by the precedent it would set, would have difficult implications for other joint boards. The only other course seems to be to single out Westminster for special treatment, as in effect we would be doing for the City if we adopt my proposal above. We might for example simply double Westminster's

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representation from 4 to 8 seats. Such a formula is necessarily arbitrary: it reflects but does not match the scale of Westminster's financial contribution; and it will inevitably be attacked in Parliament and outside on political grounds.

Beyond this, and in the light of the Cabinet decision in favour of all joint boards receiving grant directly so that the selective scheme of rate control can bear directly on them, it seems to me that three, admittedly rather flimsy, constraints may also be worth examining in respect of inner London education:

i. A blocking or retarding mechanism for approval of the budget. A qualified majority of the boroughs might be required to approve the board's budget. Failing such approval, a revised budget might be referred to the boroughs after one or two months, and be subject to approval by a simple majority of boroughs. Such an arrangement would of course be novel; but it would boost the voice and influence of the Conservative boroughs, and might encourage moderation in educational as well as financial matters.

ii. Annual Re-Nomination of representatives to the joint board. A certain and fixed 4 year tenure for joint board representatives weakens accountability. It might be preferable to require that members of the joint board could be renominated only after they had made a written annual report on their stewardship to the nominating borough. Such a procedure would tie board members more closely to the boroughs. But while it would improve accountability, there would be a risk of instability if such arrangements led to a constantly shifting membership.

iii. The issuing of separate rate demands on separate days. The draft White Paper on Rate Reform proposes that ratepayers should receive a separate notice of the poundage and amounts being levied by each major precepting authority. The awareness of the particular demand of the joint board would be increased if it were actually issued on a separate day from those of the boroughs, although there might be additional costs.

Plainly, difficulties would be associated with any of these measures, and there may be implications for other joint boards and precepting authorities. I would however be grateful for colleagues' views on whether any of them are worth further more detailed consideration at this stage.

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One other option for control discussed at MISC 95 was control over staffing to which you refer in your letter of 29 July to Leon Brittan. You may find it helpful if I record my views here. ILEA employs about 62,500 staff (corresponding to the 58,000 full-time equivalents in your table), of whom 57% are teachers, 40% are support staff in schools and colleges (laboratory assistants, caretaking, cleaning staff and so on) and 3% are administrative and secretarial staff in County Hall and the divisional offices. It is not in my view practicable, as you have asked, to specify a reduction in these numbers at the point of transfer: we are simply not in a position to make judgments in the detail necessary to ensure satisfactory deployment of the staff in schools and colleges, and to become involved in decisions of this sort would enable our opponents to hold us responsible for every real or perceived shortcoming in the curriculum.

However, both ILEA and its successor will, as we have now agreed, be subject to rate limitation. Since 76% of ILEA's current expenditure is accounted for by staffing costs, any significant reduction implied by the rating limit will necessarily involve reductions in the Authority's staff: but it will be for the Authority rather than the Government to say where the reductions should be made. For much the same reasons that you mention in relation to the 68 lower tier authorities, a separate, direct, control over staffing would in my view be impossible to operate satisfactorily, and would add nothing to the effectiveness of the weapon which we shall already have - rather the reverse.

I am copying this to the Prime Minister, to the members of MISC 95 and to Sir Robert Armstrong.

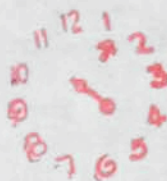
*Y. Cameron,*

*Keir*

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Treasury Chambers, Parliament Street, SW1P 3AG

Sir Keith Joseph  
Secretary of State for Education  
Department of Education & Science  
Elizabeth House  
York Road  
LONDON  
SE1 7PH

August 1983

*Dear Secretary of State,*

EDUCATION IN INNER LONDON

You sent Peter Rees a copy of your letter of 4 August to Patrick Jenkin. I am commenting in Peter's absence.

I am sure there will be considerable pressure from our supporters over the proposed joint board for education in Inner London. You did not refer in your letter to the possibility of individual boroughs opting out of the joint board; I do not know whether this is still favoured by any of the boroughs concerned, and I realise that there are genuine difficulties associated with the idea. Patrick Jenkin's minute of 27 July to the Prime Minister pointed out that the White Paper on abolition of the GLC and the Metropolitan County Councils would make it clear that the Government will consider on their merits proposals from particular district councils to set up separate municipal transport services. I am sure that we could give sympathetic consideration to this idea for education in Inner London, if any boroughs felt that they could achieve greater value for money by opting out of the joint board. We would of course need to weigh carefully the implications of such a move for the boroughs remaining within the joint board.

Turning to the proposals in your letter I am content that there should be 50 seats for the boroughs, and I would have thought it possible to defend giving 3 seats to the City despite their very small electorate. I am much more doubtful about the wisdom of

doubling Westminster's representation; I question whether the difference this would make in practice would be sufficient to justify the political difficulties that the proposal would cause us. Similar considerations make me unenthusiastic about the proposed budget-blocking mechanism, and I doubt whether annual renomination of representatives, or issuing separate rate demands on separate days will get us very far.

It seems to me that the key to instilling financial responsibility into the new joint board will have to be the existence of rate limitation. If this fails I doubt whether your other proposals would succeed; the only effective alternative would be for you to retain in the longer term the budgetary control powers which you will no doubt exercise during the transitional period.

On staffing, I sympathise with your view that it should be for ILEA and its successor to determine what staffing reductions should be made in the light of the financial squeeze that will result from rate limitation and/or direct budgetary controls. I should say, however, that we shall expect to see substantial reductions in the light of the generous staffing levels currently enjoyed by ILEA.

I am copying this to the Prime Minister, to the members of MISC 95 and to Sir Robert Armstrong.

*Yours sincerely*  
*Nicholas Ridley*  
PP NICHOLAS RIDLEY

*seen and approved by  
the financial secretary  
signed on his behalf in his  
absence.*

Educator : LBA Prj

19 AUG 1982

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