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## 10 DOWNING STREET

From the Private Secretary

6 March 1984

ILEA

The Prime Minister held a meeting today to discuss the Government's proposals on the future of ILEA. Present were your Secretary of State, Mr. Dunn and Mr. Waldegrave. Also present were Mr. Buckley (Cabinet Office) and Mr. Letwin. The meeting had before it the paper by three London MPs, Messrs. Bowden, Stevens and Wheeler, a critique of it by DES, and a note by DES on direct elections.

Your Secretary of State said the proposals from Mr. Bowden and his colleagues were not workable. They purported to devolve responsibility for schools (but not higher and further education) to the boroughs, while maintaining the structure of ILEA. But they would be seen as a break-up of ILEA in disguise. There was no advantage in proceeding in this way, and some disadvantages. The proposals greatly weakened financial accountability and all the opposition to a break-up of ILEA would be incurred anyway. If the Government were prepared to face this opposition, it would be better to do so directly by providing for devolution of responsibility for schools in conjunction with a scheme of rate equalisation.

In his view, however, the Government should not seek to break up ILEA. While this might improve education in two or three boroughs, it would reduce standards in the rest. The Government's supporters in those Boroughs would feel they had been abandoned. The position might be different five-ten years hence when the initiative on standards had begun to bear fruit.

Mr. Waldegrave said the proposals for a joint Board were universally unpopular. His Department and the Department of Education and Science now favoured a directly elected ILEA. This had been overwhelmingly favoured in the responses to the consultation document, including those from the Government's own supporters. Direct elections would ease the passage of legislation in the Lords.

Direct elections stood a better chance of providing a strong Conservative influence in education in London. (Mr. Letwin pointed out that on a constituency basis inner London divided 15 Labour, 12 Conservative and 2 Alliance, while on a borough basis the division was much less favourable to the Government -

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8 Labour, 4 Conservative). It was also thought helpful to have rates for ILEA identified separately. The objection that a one issue council would generate more expenditure had less force in an era of rate capping. The main argument against direct elections was that extremists could gain control in a low turn out. On balance, though, the arguments for direct elections looked strong.

The Prime Minister asked whether direct elections to ILEA would enshrine it permanently and rule out the possibility of changes in its structure at a later date. Your Secretary of State argued that the structure of ILEA need not be permanent; a provision for review could be included.

Summing up this part of the discussion, the Prime Minister said she accepted the case for a directly elected ILEA which would levy its own rate.

The meeting then considered the question of timing. Mr. Waldegrave said it might still be possible to include provisions for direct elections in the Paving Bill. This would require a delay of about one month. It would enable elections to be held in May 1985. The alternative would be to include the clauses in the main Abolition Bill which would mean elections in 1986 and would require a transitional council.

BF || The Prime Minister said the feasibility of inclusion in the Paving Bill should be investigated as a matter of urgency. She asked that a meeting be held under the Chairmanship of the Lord President to consider whether arrangements for direct elections could be devised, and clauses drafted, in time. This meeting should include the Secretaries of State for the Environment and Education and Science, the Lord Privy Seal, the Home Secretary (in view of his responsibility for electoral matters) and either the Attorney General or the Solicitor General. The Department of the Environment should circulate a paper setting out the action required. The aim should be to hold a meeting later this week and for the Lord President to report the outcome as soon as possible to the Prime Minister. Any outstanding questions could be settled either in correspondence or at next week's Cabinet.

I am sending copies of this letter to John Ballard (Department of the Environment), Janet Lewis-Jones (Lord President's Office), David Heyhoe (Lord Privy Seal's Office), Hugh Taylor (Home Office), Henry Steel (Law Officers Department), John Kerr (HM Treasury), Stanley Colley (Office of the PUSS, Department of Education and Science), Joan Dunn (Office of the PUSS, Department of the Environment), Murdo Maclean (Chief Whips Office) and Richard Hatfield (Cabinet Office).

Andrew Turnbull

Mrs. E. Hodkinson,  
Department of Education & Science.  
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