

13

2)

Top copy on
Local Govt. relations
A 19-

B/C: MR LETWIN
MR INGHAM



10 DOWNING STREET

From the Private Secretary

7 March, 1984

EDUCATION IN LONDON

The Prime Minister held a meeting today to discuss the date beyond which no by-elections could be permitted in the run-up to the abolition of the GLC and MCCs. Present were the Lord President, Lord Privy Seal, Home Secretary, the Secretary of State for the Environment, Chief Whip, Lord Bellwin, Mr. Waldegrave, Mr. Gummer and Sir Robert Armstrong. At the conclusion of this discussion, the Prime Minister reported on her meeting with your Secretary of State yesterday. She said that your Secretary of State and the Secretary of State for the Environment now favoured a directly elected ILEA. Having considered the arguments, she saw merits in this course, subject to provision being made for a review in due course of the structure of ILEA. It was necessary to seek the agreement of Cabinet colleagues to this proposal.

Those at the meeting also favoured a directly elected ILEA which would hold out the prospect of greater influence for Government supporters or sympathetic independents than was likely under the joint board proposals. The proposal would also be popular with most of the Government supporters and would make easier the passage of the abolition legislation through the House of Lords. Establishing education as a separate service under democratic control would further weaken the case for retaining the GLC which was already losing its responsibilities for transport. It was argued that putting education under a directly elected body was not inconsistent with the proposals for joint boards for fire, police and transport. The scale and political sensitivity of these services was quite different from that of education.

Before a final decision was taken, there were important Treasury arguments to be considered. There was a danger that a single service authority would be united in pressing Government for greater resources. There were, however, safeguards; the Government's control over budgets in the first three years provided

/in

55.

SECRET

- 2 -

in the abolition legislation; the rate capping powers; and the fact that a directly elected ILEA would issue its own identifiable rate.

It was argued that, if the Government were to follow this course, the decision should be taken and announced quickly so that the Government could achieve the maximum impact. It was desirable also to include clauses in the Paving Bill providing for elections to ILEA in 1985, thereby avoiding the need for a transitional council. It might be necessary to delay introduction of the Paving Bill by up to one month in order to accommodate these new clauses.

Summing up the discussion, the Prime Minister asked the Secretary of State for the Environment, jointly with your Secretary of State, to circulate a paper later in the day, to be taken at Cabinet tomorrow. The Lord President should alert your Secretary of State to this and would speak to the Chief Secretary to ensure that he was fully aware of these developments. Officials in the Home Office and the Department of the Environment should begin work immediately on the arrangements under which elections would be held and on the drafting of the necessary clauses. It was agreed that if Cabinet endorsed the proposal tomorrow there were strong presentational advantages in a Ministerial statement to the House that afternoon. It was probably best for your Secretary of State to make such a statement. While most Government supporters would favour these proposals, those in some London boroughs who had been seeking to leave ILEA would be disappointed. It would be helpful if Ministers could speak to key figures in those boroughs to explain the background to the Government's decision.

I am sending a copy 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), Murdo Maclean (Chief Whip's Office), Mike Bailey (Lord Bellwin's Office), Joan Dunn (Mr. Waldegrave's Office), Emma Oxford (Mr. Gummer's Office), Henry Steel (Attorney General's Office), John Kerr (HM Treasury), John Gieve (Chief Secretary's Office) and to Richard Hatfield (Cabinet Office).

Yours sincerely

Andrew Turnbull

(Andrew Turnbull)

Miss E Hodkinson,
Department of Education and Science

SECRET

Education - IEA A3

