

6 May 87

CCB/g



PRIME MINISTER

ABOLITION OF THE ILEA

At our meeting on 8 April I undertook to look further at the options for reforming education in Inner London in the light of the points made in discussion.

2. There is an expectation that before acting on ILEA, we would use the powers that we took in the Local Government Act 1985 to review ILEA's performance. But that would inevitably delay matters and a review would not significantly add to our knowledge. We could not hope to complete a review before the summer of next year. Legislation in the 1988-89 session would then get tied up politically with the run-up to ILEA direct elections in 1990. I believe therefore that we should add proposals for the abolition of ILEA to the legislation that we are already planning to introduce in the first session of a new Parliament. It is helpful that the Lord President believes that it might now be easier to secure passage of legislation through the House of Lords in view of the fact that it would not be linked to the abolition of the metropolitan countries.

3. As to the nature of the legislation, I continue to see very grave difficulties about transferring the whole of the existing ILEA to an appointed board or trust. In particular:

- (i) The effect would be similar to putting in commissioners. Elsewhere we have rightly seen that as a last resort. We would not find it easy to defend the notion that the electors of inner London, unlike other local electors, should have no say in locally provided education on a permanent basis.

(ii) The managerial task would be immense. Cutting out extravagant expenditure will mean taking on the most militant teacher force in the country and forcing through redundancies. I doubt that we shall find people of stature willing to take on the task of managing Inner London education in a climate of massive non-cooperation.

(iii) Even if we establish arrangements which seek to distance Ministers from the day-to-day administration of inner London education, I fear that we shall get sucked in inexorably into policy and financial decisions. We shall be held responsible in Parliament and elsewhere for all that happens. That is not a prospect that I welcome.

4. Instead, I favour the break-up option. We should make it possible for individual inner London boroughs to opt out of the ILEA and to take over responsibility for education in their area. We can expect Conservative-controlled boroughs either jointly or individually to take advantage of that freedom. The process of opting out will progressively reduce the size of the ILEA.

5. We have noted in our earlier discussions that there is a risk that the rump ILEA that would remain or those left-wing dominated boroughs that chose to opt out could prove at least as bad as the present ILEA. It is arguable that they could not be worse. Moreover their position has to be looked at against the changes which we are already intending to introduce to give schools and colleges greater autonomy and to increase parental choice. The power of these local authorities, whether in a rump ILEA or not, to inflict damage on the schools will be dramatically reduced by:

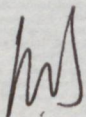
- the freedom that we shall give the vast majority of schools to opt out of local authority control and to seek grant-maintained status under a contract with my Department;
- the development of our proposals for maximum financial delegation to headteachers and governing bodies based on per capita funding: this will strengthen the autonomy of individual schools; give them greater control over

their staff; and prevent LEAs from discriminating against popular schools in the distribution of funds. I am considering proposals to secure similar arrangements for further education colleges;

- our proposals for more open enrolment which will ensure that popular schools in Inner London and neighbouring authorities must admit up to the limits of their capacity. Parents already have freedom to send their children to schools outside the ILEA and our 1980 Act strengthened this exercise of parental choice. ILEA is already obliged to repay the full cost (including any transport costs) to the providing authority. Open enrolment will give parental choice still greater reality;
- our proposals to legislate for a national foundation curriculum which will no longer leave individual teachers, schools or LEAs to decide the curriculum children should follow.

6. All these measures will be in place by the time we bring forward legislation on ILEA. They will massively increase the ability of parents and educational institutions to resist the doctrinaire interventions of left-wing boroughs and would substantially improve choice. I conclude that once we have put in place this radical package of measures on which we are already agreed, we need not fear the consequences of going for the break-up of ILEA that might otherwise have arisen for some parts of inner London.

7. I am copying this minute to the Lord President, the Chancellor of the Exchequer and to the Secretaries of State for the Environment, Employment, Wales, Scotland and Northern Ireland, and to Sir Robert Armstrong.



K B

Department of Education and Science

5 May 1987

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Mr. Baker has concluded in favour of allowing individual boroughs to opt out of the ILEA.

His paper is very short. A notable omission is any discussion of the financial effects of individual boroughs opting out. The ILEA is financed by precept. But presumably there may well be an element of redistribution between boroughs with, to take a hypothetical example, Westminster putting in more than it draws out for its schools and thus in effect subsidising, say, Wandsworth or Tower Hamlets, which might be boroughs which draw out more than they put in.

There may well be at present redistribution from the boroughs likely to opt out (Wandsworth, Kensington and Chelsea etc) towards the "rump" Labour boroughs (Islington, Southwark etc) but this is not a foregone conclusion, and in any case the effects on the community charge in the "rump" boroughs of the others opting out could be very substantial unless there were some continuing redistributive mechanism.

Mr. Baker may have a simple answer to this question but I do wonder whether a decision about the future of the ILEA should be taken on the basis of so cursory a paper.

One possibility might be to postpone the introduction of the community charge in London until ILEA spending had been reduced through rate capping.

DW

Schools opt out

40%

500

David Norgrove

6 May 1987

89-90

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