



cc/sv  
Prime Minister

HUS 29/4

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Michael Heseltine MP  
Secretary of State  
Department of the Environment  
2 Marsham Street  
London SW1

27 April 1982

*R. Michael*

#### REORGANISATION OF THE METROPOLITAN AUTHORITIES

Thank you for sending me a copy of your minute of 16 April to the Prime Minister. As you know, I agree that there is a prima facie case for abolishing the GLC and metropolitan counties. I also agree that we should pursue the further work you suggest. At this stage, I should simply like to draw out two points which I am sure you will agree should be borne in mind.

First, costs and benefits. We cannot yet be sure that the new arrangements suggested in the official report would reduce bureaucracy, although I hope they would. However, we can be certain that the transition itself would generate extra public expenditure. The experience of the 1974 reorganisation is lesson enough. Clarification of the costs and benefits is therefore essential - although I appreciate that their assessment will not be straightforward.

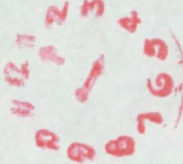
Second, I hope we need not exclude limited reform of the lower tier of local government at the same time as abolition of the upper tier. The official report identifies a number of services where districts would be too small to stand entirely alone. It would be a pity to have to reinvent cumbersome co-ordinating structures which might again obscure accountability and obstruct efficiency. It would therefore be helpful if officials' further work could cover the possibility of modifications in the metropolitan district boundaries which might make a new unitary structure more robust. The obvious disadvantage of a slightly more complex change should be balanced against the disadvantages of the co-ordinating structures which would otherwise be necessary.

I am copying this letter to the recipients of your minute.

*Leon Brittan*  
LEON BRITTAN

CONFIDENTIAL

27 APR 1982



*[Faint handwritten text]*

DM

CONFIDENTIAL

(4)



Prime Minister

2 MARSHAM STREET  
LONDON SW1P 3EB

MUS 12/5

My ref: H/PSO/13342/82

Your ref:

12 May 1982

REORGANISATION OF THE METROPOLITAN AUTHORITIES

Thank you for your letter of 27 April indicating two points that you consider important for us to bear in mind in any further work on the GLC and metropolitan counties.

I agree that we should seek to clarify the costs and benefits of the change so far as possible. But we have to recognise that it may prove easier to quantify the short term costs than the long term benefits.

I accept that we should consider changes to the number and size of the lower tier authorities, both because of the change in the range of their responsibilities and because of the possibility that modifications might reduce the need for more cumbersome co-ordinating arrangements. However, the next stage of work could only deal with this in terms of the machinery by which a detailed investigation of specific areas might ultimately be carried out; it would not be possible - or desirable - to aim for detailed geographical proposals now.

I am copying this to those who received my minute of 16 April.

MICHAEL HESELTINE



Prime Minister

You saw

Local Govt  
C/JV

Michael Heseltine's (attached)

note earlier this week

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— at E Committee.

Prime Minister

MUS 23/4

REGORGANISATION OF THE METROPOLITAN COUNTIES

I have seen a copy of the Secretary of State for the Environment's minute to you of 16 April. I am generally content with the arrangement he suggests.

MISC 70 is looking at the consequences for transport of abolishing the GLC and metropolitan counties. Transport is the most important function of these authorities and the biggest item in their budgets (apart from ILEA). The most effective way of organising transport will therefore be a major factor in considering their future. I therefore agree that we should not reach any decisions about abolition until we have the reports of the studies which are now in hand.

I am copying this minute to the other recipients of the Secretary of State for the Environment's minute.

DA

DAVID HOWELL  
22 April 1982

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2 APR 1962

