

CONFIDENTIAL



cc J.V.

Prime Minister

Content? This is a
major ^{decision} announcement, and may
well leak if not announced.

PRIME MINISTER

FERS

4.10.

THE GREATER LONDON COUNCIL (GLC) AND THE
METROPOLITAN COUNTY COUNCILS

The Minister for Local Government and Environmental Services is due to give the Party Conference an account of the Government's position on local government finance and related issues. The Ministerial Group on Local Government Organisation and Finance (MISC 79) yesterday discussed the outline of his speech.

It would be premature to say anything about our decisions on rating reform. This will be disappointing to many of our supporters. However, MISC 79 agreed that there was one important matter on which we should give an indication of our thinking.

The Secretary of State for the Environment has proposed that the GLC and the metropolitan counties (West Midlands, Merseyside, Greater Manchester, Tyne and Wear, West Yorkshire and South Yorkshire) should be abolished. MISC 79 agreed that there was an overwhelming political case for the abolition of these authorities: they account for a large proportion of excessive local authority expenditure; they are all too ready to try and expand their "strategic role" in a way which brings them into conflict with central Government; they are deeply unpopular not only with our own supporters but also among the public and within local government.

MISC 79 will need to consider at a subsequent meeting the detailed implications of abolishing the GLC and metropolitan counties for the various services which they carry out at present. A good deal of work has already been done on this. So far as transport in London is concerned, the Group will consider a proposal by the Secretary of State for Transport that a Metropolitan Transport Authority should be set up with the objectives of improving the efficiency and cost-effectiveness of public transport in London and in particular, bringing more order into the relationship between British Rail's commuter services and the Underground. The Group will also consider the future of the Inner London Education Authority.

It is already clear, however, that the Group will recommend in its eventual report to the Cabinet that the GLC and the metropolitan counties should be abolished. Subject to your views, therefore, the Minister for Local Government and Environmental Services intends to indicate in his speech to the Party Conference that the Government is seriously consider the abolition of these authorities. He will make it clear that we do not intend to reorganise the shire counties or shire districts.

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2.

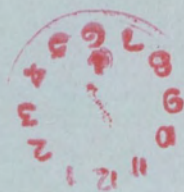
I am copying this minute to members of the Cabinet,
the Minister for Local Government and Environmental
Services, Mr. Sparrow and Sir Robert Armstrong.

W/LW.

3 October 1982

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91-31



4 OCT 1982

Local Govt

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JHP



cc Cabinet
Min for L.G.
CO
CPRS
Mr Vaneke

10 DOWNING STREET

From the Private Secretary

4 October 1982

Dear John.

THE GREATER LONDON COUNCIL (GLC) AND THE
METROPOLITAN COUNTY COUNCILS

The Prime Minister was grateful for the Home Secretary's progress report on the discussions on the Ministerial Group on Local Government Organisation and Finance (MISC 79).

The Prime Minister thinks it would be premature for an announcement to be made this week that the Government is seriously considering the abolition of the GLC and metropolitan counties. She has asked that this matter, along with the other recommendations of MISC 79, should be reported to Cabinet at the due time.

I am sending a copy of this letter to the Private Secretaries to the other members of the Cabinet, to the Minister for Local Government and Environmental Services and to Gerry Spence (CPRS) and Richard Hatfield (Cabinet Office).

Yours sincerely,

Michael Scholar

J.F. Halliday, Esq.,
Home Office.

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MB

10 DOWNING STREET

(2)

Prime Minister

, with Treasury agreement

Mr Heseltine now proposes

direct controls on local authority

expenditure ; he will set a maximum

rate for selected authorities, following

Whitehall scrutiny of their draft

budgets. For implementation in 1985-86

following legislation in 1983-84.

I understand that it was

principally, your comment on his earlier

paper which has led him to this

change of heart.

MUS 27/9