

b/c Mr Sherbourne.

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PRIME MINISTER

6 December 1984

THE POLITICS OF LOCAL GOVERNMENT

There have been a number of important new developments in local politics over the last few weeks.

1. Staff Attitudes

The various unions representing the staff of the London Boroughs have combined to form an organisation known as London Bridge. The group calls for 'total non-cooperation ... all-out strike action, sit-ins and occupations ... if any Councillor, Council, Council Officer or any other agency, attempts to carry out the Government policy of cuts in local government services.' This is significant because, if militant Labour councillors can carry their unions and their staff with them during the rate-capping revolt, they may be able to bring about a break-down of services earlier than we previously suspected, and may be able to sustain such a break-down for longer.

2. QUALGOs Report

Teresa Gorman has recently produced a useful report on the growing activity of 'QUALGOs' (Quasi-Autonomous Local Government Organisations). She cites various examples including:

- a. Islington Council which has been licensing 'Short Life User Groups' to take over unoccupied property and to offer tenancies at £7 per week to 'politically aware squatters' who are thereby enabled to jump the housing queues;
- b. Westminster City Council, which funds the Paddington Law Centre (an organisation that actively supports the CND) and the Pimlico Neighbourhood Aid Centre (a group

that pickets DHSS Inspectors and organises demonstrations against council cuts).

We will need to check that these topics are included on the agenda when DoE come forward with plans for the review of local government abuses.

3. PA Report on Abolition of the MCCs

PA Management Consultants are publishing, today, a report on the non-financial aspects of the abolition of the MCCs. It makes a number of serious criticisms about the new Joint Boards in the Metropolitan areas. These need to be countered:

- Criticism: 28 out of 42 services covered by the MCCs are subject to some form of joint arrangement.

Reply: 26 of the 42 services are either returned directly to the Districts, or are subject only to voluntary co-operation.

- Criticism: 67% of MCC expenditure is on the services covered by the new statutory joint boards.

Reply: The Government's aim is to ensure real control over this large block of expenditure. The old system of precepts did not do this because the MCCs had power without responsibility: under the new system, the Districts will be able to exert control via their representatives on the Joint Boards.

- Criticism: There were previously 6 MCCs; there are now 24 statutory bodies.

Reply: Each MCC was a huge organisation: the new statutory bodies will be smaller, leaner, single-service operations.

- Criticism: The Joint Boards and other joint arrangements will not be accountable to the electorate.

Reply: The members of all joint bodies will be doubly accountable because (1) they will be elected councillors and (2) they will be representatives who can be cashiered by their home councils if they misbehave.

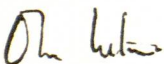
- Criticism: There will be hideous problems of coordination between the various joint bodies: no-one will be taking an overall view.

Reply: (1) There are already huge coordination problems within the MCCs. (2) The logical conclusion of the argument for greater coordination is total centralisation of all services, which PA do not recommend. (3) Each district will be able to take an overall view of the various services that affect its constituents.

It is interesting to note that PA 'wished to discuss [their] work with the Department of Environment' but 'the Department declined to meet [them].' (Page 5). Had the DoE been willing to talk, the study might not have been so adverse. This ought to teach us that the Government cannot expect to win the argument if it refuses to speak to those who have an influence on public opinion.

You may wish to mention to Patrick Jenkin and Ken Baker, when you next meet them that:

- i. they need to answer the PA report point by point; and
- ii. they still need to make more effort to inform the opinion-formers.


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