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From the Private Secretary

1 April 1980

The Future of the ILEA

Your Secretary of State and Lady Young discussed the Baker Report and the future of the ILEA with the Prime Minister at 1700 today. Your Secretary of State suggested that the most sensible way forward might be to set up a Ministerial Committee, with a group of officials working to it, to look at not only the Baker Report itself, but also alternative possibilities for the organisation of inner London education. The Prime Minister accepted this suggestion.

Your Secretary of State hoped that it might be possible for this group's work to be completed by the summer recess but he doubted whether it would be feasible to introduce legislation in the 1980/81 session. The Prime Minister endorsed both of these expressions of view.

Your Secretary of State suggested that the Prime Minister might write to Sir Horace Cutler, saying that the Government now proposed to give detailed scrutiny to the Baker Report before reaching final decisions. I should be grateful if you could let me have a suitable draft letter.

It would also be helpful if you could let me have for the Prime Minister's information the details of the composition and terms of reference of the Ministerial Group which is to take the work further.

Your Secretary of State briefly mentioned the Clegg Report on Teachers' Pay, and reported to the Prime Minister that the overall cost would be 18.2% of the salary bill at April 1979 levels. The Prime Minister noted this.

I am copying this letter to David Wright (Cabinet Office).

NJS

SP

Peter Shaw, Esq., Department of Education and Science.

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