

Education

PRIME MINISTER

Meeting with Lady Young to discuss ILEA

This folder contains the latest draft of the Report of the Ministerial Committee on ILEA, and your most recent exchange of letters with Horace Cutler on the subject.

Lady Young's committee met today. It has some outstanding business to clear in correspondence, but is otherwise ready to report to H Committee.

I understand that the Committee will not make a positive recommendation for change. They will, however, say that the Marshall Option is the best alternative if Ministers wish to make a change. Its main asset lies in returning responsibility to the boroughs. The Committee is likely to favour an authority composed on the basis of guaranteed minority representation - i.e. at least one member from the second largest group. The Committee is uncertain of the direct political consequences of the change. It seems likely that the Conservatives will be worse off under any change, simply because the present position results from an exceptionally good year in local elections. Lady Young may well wish to concentrate on this aspect.

There are also some outstanding questions on financial control. Peter Rees apparently tried to reopen these issues today. The Committee seem likely to confine themselves to efforts to make further improvements in the way the block grant system will limit any new authority.

MAJ

28 October 1980