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SECRET AND PERSONAL

SUBJECT CE MASTER

10 DOWNING STREET LONDON SWIA 2AA

15 January 1988

From the Private Secretary

FUTURE OF ILEA

Your Secretary of State came to see the Prime Minister yesterday to discuss the handling of the backbench amendment to Clause 115 of the Education Reform Bill. He considered that this particular amendment would not be appropriate because it would lead to enormous pressures on the fifth borough considering opting out. But he wished to take the Prime Minister's mind on whether she would support an alternative means of winding-down ILEA. Any such move would need to be handled with delicacy as it would involve a significant shift from the proposals set out in the Manifesto. But he was conscious that several key individuals were leaving ILEA given the uncertainty over its future.

The Prime Minister said that she did see attractions in speeding up the process as long as this could be achieved with widespread support. It would be important to prepare the ground by stimulating support for this approach from sources other than the Government backbenches. She would also be concerned to ensure that in the Labour controlled boroughs there was scope for control of the schools to pass into the hands of bodies such as educational trusts. And the process of breaking up ILEA would have to be managed in an orderly way.

The Prime Minister invited your Secretary of State to consider the possibilities further and to put to her an early proposal on the way forward.

Paul Gray

Tom Jeffery, Esq., Department of Education and Science.

SECRET AND PERSONAL

1645 here - today PRIME MINISTER ILEA Mr. Baker's office rang this evening to say he would like to have a word with you. Conservative backbenchers have put down an abolition amendment in Committee. Mr. Baker wants to discuss the handling of it with you. I have told his office you have a busy day. Would you like us to arrange a 10-minute slot? Ver please RRCB PAUL GRAY 13 January 1988 SLHARN