

CONFIDENTIAL

11 June 1984

MR. BARCLAY

LIVERPOOL: REORGANISATION OF SCHOOLS

We continue to believe that the proposals are disastrous, and that outright rejection would be the best solution.

It would also be possible to delay any announcement until the end of the month, by which time the issue of Commissioners will probably be resolved. We are told that this would not pose any legal problems.

However, Keith Joseph is firmly opposed to both of these routes. He wants to modify the scheme, and he seems to have considerable support from colleagues. In addition, it has now become apparent that there is a real chance of the Council rejecting even the minor modification that Keith is suggesting (as can be seen from the attached copy of a letter written to the DES by Liverpool's Director of Education.)

This would be a satisfactory outcome. If the Government proposes sensible modifications, and Liverpool turns them down, Ministers will appear to be the aggrieved party, and will have scored a propaganda coup without having lost anything substantive in the process.

On balance, we reluctantly recommend that the Prime Minister should accept Keith's proposal, in the hope that Liverpool will turn him down.

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