

PREM 19/1470

NEW FILE COVER

CONFIDENTIAL FILING

Policy on Education Expenditure

General Policy on Expenditure

EDUCATION

Pt 1: May 1979

Pt 5: March 1985

| Referred to   | Date | Referred to | Date | Referred to | Date | Referred to | Date |
|---|------|-------------|------|-------------|------|-------------|------|
| 30.8.85   |      |             |      |             |      |             |      |
| <div data-bbox="349 1140 1379 1415" data-label="Text"><p>PREM 19/1470</p></div> |      |             |      |             |      |             |      |

30.8.85

PART ENDS

● PART 5 ends:-

● Min DOE to LPC 27/8/85

~~MEAS GO MEA + aH. 30/8/85~~

PART 6 begins:-

MEAS GO Folford. 3/9/85

TO BE RETAINED AS TOP ENCLOSURE

**Cabinet / Cabinet Committee Documents**

| Reference                              | Date     |
|--|----------|
| H(85) 7 <sup>th</sup> Meeting, Minutes | 04/03/85 |
| H(85) 24                               | 22/04/85 |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |
|  |          |

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES

Signed \_\_\_\_\_ Date \_\_\_\_\_

**PREM Records Team**

## Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

1. House of Commons Hansard, 14 March 1985, columns 451-459 "Ethnic Minority Children (Education)"
2. House of Commons Hansard, 26 March 1985, columns 215-227 "Schools"
3. Report by Her Majesty's Inspectors on the Effects of Local Authority Expenditure Policies on Education Provision in England, 1984  
Department of Education and Science, May 1985

Signed \_\_\_\_\_ Date \_\_\_\_\_

**PREM Records Team**

010

cf. would like to see the file please?  
A 2 @ Flap



Department of the Environment  
2 Marsham Street  
London SW1 3EB

From the Minister of State

Telephone 01-212 3434

CF

The file does not seem to  
contain any of the relevant  
ppr. could they be elsewhere?  
If not, we shall need to repeat  
to the letter of 31 July.

J/PSO/16309/85

27 August 1985

Dear Willie  
copy attached - PPs on education: Expenditure  
AS

I have seen a copy of Keith Joseph's letter to you  
of 31 July covering the draft Government response  
to the report of a Sub-Committee of the House of  
Lords Select Committee on Science and Technology  
published last January, and am writing to you in  
Patrick Jenkin's absence on holiday.

I wondered whether a mention of the recent report  
from the Audit Commission "Obtaining Better Value  
from Further Education" would be helpful in response  
to Recommendations 16 and 21 which call for the  
provision of additional resources. Apart from that  
I have no comments on the draft response and I am  
therefore content for it to be issued as a White  
Paper as proposed.

I am copying this to the Prime Minister, Members  
of H Committee, the Chancellor of the Exchequer,  
The Secretary of State for Trade and Industry,  
Sir Robert Armstrong and Sir Robin Nicholson.

THE LORD ELTON



CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

From the Minister without Portfolio  
The Rt Hon Lord Young of Graffham

The Rt. Hon. Sir Keith Joseph M.P.,  
Secretary of State,  
Department of Education & Science,  
Elizabeth House,  
York Road,  
London, S.E.1.

27th August, 1985

*Keith,*

I have seen your letter of 31st July to Willie Whitelaw about the House of Lords Select Committee Report on Education and Training for New Technologies. I have also seen Michael Lucas's letter of 19th August.

It seems to me that your idea of a joint working group to look at tax incentives for industrial support of the education system has considerable merit and I hope colleagues will be able to support it. I responded for the Government to the debate in the Lords on 25th March initiated by Lord Gregson. There was a good deal of concern about the problems the report identifies and an equal degree of interest in the Government's response. From the presentational viewpoint alone, I am certain that we should respond as positively as possible to recommendations 17 and 19. It seems to me, too, worth running the possible risk of arousing expectations about further tax concessions for the sake of examining the likely effects of extensions and taking a cool look at which of the existing concessions are most cost-effective and worth preserving.

I would be happy for my officials - who will be giving yours detailed drafting points - to be involved in such a Working Group.

I am copying this letter to the Prime Minister, Members of H Committee, the Chancellor of the Exchequer, the Secretary of State for Trade & Industry, Sir Robert Armstrong and Sir Robin Nicholson.

*Yours,  
David*

*RBPM*

*www request if required*

Education: Expenditure Pt 5.





MR SMITH  
DEPARTMENT OF EDUCATION AND  
SCIENCE

You spoke with Mark Addison  
and agreed to let us have  
the addresses of those on  
the attached list who are  
to be invited to the Education  
Seminar on 20 October.

Vanessa Cummings  
Garden Rooms  
27 August 1985

cf. pgs please.

PRIME MINISTER

EDUCATION SEMINAR

As you know, we are arranging for this seminar to take place on 2 October. The seminar would last for two hours from 1700 to 1900 and be followed by drinks for an hour or so. The list of those who might be invited to participate has been drawn up and agreed between Oliver Letwin and DES. It had been intended to include Lord Annan, but it now seems appropriate not to do so. The list is at Flag A.

If you agree, we should explain that the seminar would be divided into three broad sections - on higher education, schools, and new directions in vocational education and training. Mr Elton (Cambridge), Mr Ashworth (Salford) and Mr Mackintosh (Oratory) respectively might be asked to lead those discussions off.

We shall also need to consider ministerial representation, in addition to Sir Keith. I think we may also need Tom King in view of the training element, and possibly Lord Young too.

Content with the list at Flag A? Content with the arrangements for leading the three discussions?

Yes not

Let us decide

Ministerial representation of the UK not possible not

MARK ADDISON

23 August 1985

<sup>John</sup>  
Prof. J Ashworth  
J R Bambrough  
V Bamington (Mrs)  
C Bayne-Jardyne  
D Bell (Sister)  
M Beloff  
J Butterfield  
Judy Chaplin  
Fred Crawford  
P Croft  
D Dilks (Professor)  
G Elton  
D Esp  
C Everest  
D Fone  
C Fulford  
A Green  
  
R Honeyford  
Ann Jones  
E Kedourie  
J Mackintosh  
J Marks  
R McCloy  
B McGowan  
K Minogue  
D Muffett  
  
D Naismith  
L Norcross  
D O'Keefe  
G Peele  
A Pollard (Professor)  
Tony Quinton  
R Ricketts  
Cllr Brian Sams  
Dennis Silk  
D Smith  
Cllr Maurice Venn

Salford University  
Cambridge University  
Northolt School  
Henbury School  
Digby Stuart School  
Oxford University  
Cambridge University  
CCO  
Aston University  
Ramsey School  
Leeds University  
Cambridge University  
CEO Lincolnshire  
Drayton Manor High School  
Northfields Upper School  
Blackpool Collegiate School  
Judgemeadow School &  
Community College  
Drummond Middle School  
Cranford Community School (Hounslow)  
London University  
Oratory School  
PNL/NCES  
CEO Kingston  
Haberdasher's Aske School  
London University  
Chairman of Education  
Hereford & Worcester  
CEO Croydon  
Highbury Grove School  
PNL  
Oxford University  
University of Buckingham  
Trinity College, Oxford  
Middlesex Polytechnic  
PCL  
Radley College  
Bradford School  
NACE and SCRAC

Secretary of State

Mr Brooke

Mr Dunn

Mr Walden

Lady Cox

Mr Madell

Mr Sexton



DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Mark Addison Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A 0AA

21 August 1985

~~CF~~  
~~RRS~~  
cc NO  
CF.  
To replace the copy  
in the file pl.  
Mark 23/8

Dear Mark,

PRIME MINISTER'S EDUCATION EVENING

Thank you for your letter of 13 August.

Mrs Anne Jones is the Headmistress of Cranford Community School, whose address is High Street, Cranford, Hounslow, Middlesex TW5 9PX.

Given the nature of the event and that the discussion leaders have not been chosen for any detailed knowledge of their respective topics, we have only one comment on the proposed arrangements. It might be helpful for another local authority elected member to be added to the list (at present there is only Cllr Muffett) - perhaps a Conservative Party Education Committee Chairman. If you agree, I shall consult our Ministers about a possible name early next week.

Yours sincerely,  
Rob

Education : Expenditure A.S.

cc ~~NO~~



DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 4041

GTN 215 .....

(Switchboard) 215 7877

From the Parliamentary Under Secretary  
of State for Trade and Industry

DW450

19 August 1985

The Rt Hon Sir Keith Joseph Bt MP  
Secretary of State for Education  
and Science  
Elizabeth House  
York Road  
LONDON  
SE1 7PH

W Jk

PS/Mr Lamont  
PS/Mr Butcher  
PS/Sir Brian Hayes  
Mr Roith  
Mr Hardbattle  
Mr Whittingdale  
Mr Hellings (on  
file)

Dear Sir Keith

Thank you for copying to Norman Tebbit your letter of 31 July to Willie Whitelaw about the House of Lords Select Committee Report on Education and Training for New Technologies. I am replying in his absence on leave.

2 My officials will contact yours concerning any detailed drafting points. However, I would like to support your suggestion that a Working Group of officials and industrial representatives should examine the present state of, and future possibilities for, tax incentives for industrial support of the education system. Incentives of this kind have been strongly supported by industry, and they merit examination in depth before we make our response to the Report.

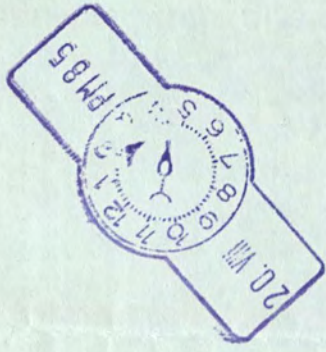
3 I am copying this letter to the Prime Minister, members of H, Nigel Lawson, and to Sir Robert Armstrong and Sir Robin Nicholson.

*[Handwritten signature]*

*[Handwritten signature]*

LORD LUCAS OF CHILWORTH

EDUCATION: Policy; PES.







10 DOWNING STREET

*From the Private Secretary*

13 August 1985

**PRIME MINISTER'S EDUCATION EVENING**

Thank you for your letter of 7 August.

BK / I shall be submitting the full list of names to the Prime Minister for her approval when she returns from holiday. Meanwhile, I should be grateful if you could clarify the identity of the Ann Jones from Hounslow referred to in your list.

We have in mind to propose to the Prime Minister that I write to all those concerned along the lines of the draft letter attached. We shall also be suggesting that Messrs. Annan, Ashworth and Mackintosh be invited to lead discussions respectively on the state of higher education; the state of school education; and Government and private sector - new directions in vocational education and training.

BK / I should be grateful for any comments you may wish to make on these arrangements.

(MARK ADDISON)

R. L. Smith, Esq.,  
Department of Education and Science.

RLS

The Prime Minister has in mind to hold a seminar with a number of distinguished people from the world of education, on 2 October from 5 o'clock for about two hours. She envisages the seminar would discuss recent general developments in education, and their implications for the future. It would be followed by a short reception.

The Prime Minister hopes you will be able to attend.

I look forward to hearing from you.

CONFIDENTIAL



cc

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

*From the Secretary of State for Social Services*

The Rt Hon Sir Keith Joseph Bt MP  
Secretary of State for Education and Science  
Department of Education and Science  
Elizabeth House  
York Road  
LONDON  
SE1 7PH

9 August 1985

NBM

*Dear Secretary of State*

REVIEW OF UNIVERSITY GRANTS COMMITTEE

Thank you for your letter of 31 July.

I have carefully considered what you say about the purpose of the review and the need to keep the review Committee reasonably small and free of sectional interests. I am grateful for your assurance that our concerns about the importance of the relationship between the NHS and universities will be fully reflected in the formal guidance to the Committee as well as being drawn to Douglas Croham's attention. I look forward to seeing a draft of the guidance. It is also important that my officials are consulted at an early stage when the Committee begins to consider matters of interest to us. On the basis of your assurances on these points, I am content not to press for inclusion of a medical member of the team.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Energy, Scotland, Wales, Trade and Industry and Northern Ireland, to the Chancellor of the Duchy of Lancaster and to Sir Robert Armstrong.

*Yours sincerely*

*for*

NORMAN FOWLER

*(Approved by the Secretary of State and signed in his absence)*

CONFIDENTIAL

Policy on Education Expenditure: Education

MS





DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Mark Addison  
10 Downing Street  
LONDON  
SW1

MUST

7 August 1985

CEC  
CF  
Council have other girls  
WR please?

Dear Mark

PRIME MINISTER'S EDUCATION EVENING

Oliver Letwin told me that you are taking delivery of my Secretary of State's comments on the list of names attached to Oliver's minute to me of 1 August. We have no comments on that list (except we believe Sister D Bell is from Digby Stuart College), but would like to offer the following additional names attached for consideration.

yes

Yours sincerely,

Annex -> State of high school  
Mackintosh -> State of school education (p1 & p2)  
Robson -> Best & price sector: new directions in vocational training

Rob

R L SMITH

The PM has a not to hold a small seminar with dozen units of distinguished people from the world of education on October 2 for 500 people for that no less. The seminar would be for the evening the seminar would discuss "new" social development in education design, and further implications for the future. The seminar would last for 2 hrs and be followed by a short reception.

Professor Arthur Pollard ✓  
 Judy Chaplin ✓  
 Dennis Silk ✓  
 Cllr Maurice Venn ✓  
 Fred Crawford ✓  
 Ann Jones  
 Tony Quinton ✓  
 Professor David Dilks ✓  
 Councillor Brian Sams

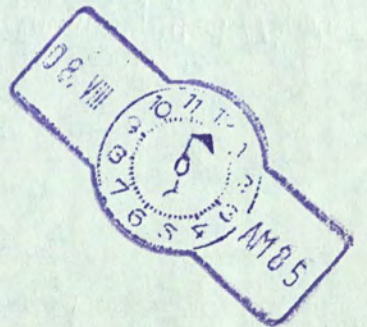
University of Buckingham  
 CCO  
 Radley College  
 NACE and SCRAC  
 Aston University  
 Crawford Community School (Horslow)  
 (Hounslow area) \*  
 Trinity College Oxford  
 Leeds University  
 PCL

+ Oke <sup>Swishla</sup> ~~Crawford~~ Community School Educat  
 Committee Chairman.

\* This lady might be known to Mr Letwin or other education advisers;  
 if not I can try to clarify her identity.

pl

10091





NSPM

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

2 August 1985

The Rt. Hon. Sir Keith Joseph Bt MP  
Secretary of State for Education and Science

A handwritten signature in black ink, appearing to be 'Sir Keith Joseph'.

#### GRANT AIDED SCHOOLS

Thank you for sending me a copy of your letter of 15 July to Willie Whitelaw. I gather that the meeting to discuss your proposal is now likely to take place in September.

I should like to be rather clearer about the objectives of your proposal. These are not explicitly set out in your paper but, as I read it, the main objectives are to raise standards in primary education by devising better teaching methods and other improvements which might be applicable in the generality of maintained schools; and to increase parental choice. If that is so, we need to consider whether any necessary experimentation cannot be in less elaborate and costly ways, for example through the use of existing provision for education support grants within ordinary maintained schools. We should also give some thought to how, if grant aided schools were created, we would measure their success in achieving their objectives.

I note that the initial cost could be around £2 million a year, although you make it clear that this is very much a minimum estimate. This is a significant sum, but I am more concerned with the potential long term costs which could result from any expansion of the scheme. And, as George Younger has pointed out, there is also a danger that any success enjoyed by grant aided schools would be ascribed by LEAs and teachers to the additional £150 a year contributed by parents. One way round this, of course, would be to ensure that the parental fee brought the provision per pupil up to the national average instead of taking it over the top. Even then the proposal would still have a significant net cost.

I also wonder whether the terms you propose to offer to promoters would be sufficiently attractive to persuade them to take on ownership without control. Any concession on capital expenditure would, of course, be expensive.

A further practical problem concerns the criteria to be used in selecting applicants, assuming that there is a surplus. If ability is excluded some alternative must be found. It seems unlikely that the schools will contain a representative sample of those attending maintained schools; and to the extent that they constitute a relatively well motivated group of children any 'experiments' involving them will not necessarily be capable of successful implementation in a typical maintained school.



EDUCATION LEP. AS

CONFIDENTIAL

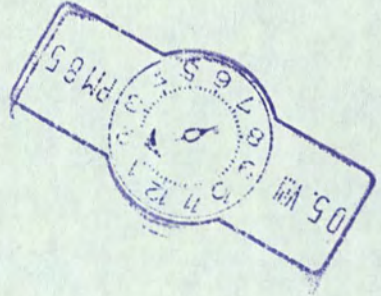


I look forward to discussing these and other points when we meet. I do not wish to appear in any way negative, but the potential public expenditure costs are substantial and this has to be weighed against any benefits that might flow from your proposals.

I am copying this letter to the Prime Minister, Willie Whitelaw, Nicholas Edwards, George Younger, John Biffen, Patrick Jenkin, Norman Tebbit, David Young and John Gummer, and to Sir Robert Armstrong.

NIGEL LAWSON

A large, stylized handwritten signature in black ink, appearing to be "Nigel Lawson".



~~CF~~  
This honours been fixed for 28th Oct in  
the diary. We ought to be on 16/8 to show DES.  
MEL 578

MR R SMITH

1 August 1985

PRIME MINISTER'S EDUCATION EVENING

As I mentioned to you, the Prime Minister has in mind to hold a seminar with about 30 distinguished people from the world of education, who are sympathetic to the Government's policies in general, and may have things to say about new directions in education.

Drawing on lists provided by the Backbench Committee, the Permanent Secretary and Mr Sexton, I have composed a preliminary set of names, which the Secretary of State may want to vet. It should be noted that the Prime Minister was keen to see people with CPS connections, including Lady Cox and Mr Honeyford, both of whom she mentioned: the list contains a number of names of this sort.

*Oliver Letwin*

OLIVER LETWIN

= 1 \* N Annan ..... London University  
3 \* J Ashworth ..... Salford University  
J R Bambrugh ..... Cambridge University  
V Bamington (Mrs) .. Northolt School  
C Bayne-Jardyne ..... Henbury School  
D Bell (Sister) ..... Digby Stuart School  
M Beloff ..... Oxford University  
J Butterfield ..... Cambridge University  
P Croft ..... Ramsey School  
Chaplin, Crawford  
Dikes  
4/e \* G Elton ..... Cambridge University  
D Esp ..... CEO Lincolnshire  
C Everest ..... Drayton Manor High School  
D Fone ..... Northfields Upper School  
C Fulford ..... Blackpool Collegiate School  
A Green ..... Judgemeadow School &  
Community College  
R Honeyford ..... Drummond Middle School  
Jones  
E Kedourie ..... London University  
= 1 \* J Mackintosh ..... Oratory School  
J Marks ..... PNL/NCES  
R McCloy ..... CEO Kingston  
B McGowan ..... Haberdasher's Aske School  
K Minogue ..... London University  
D Muffett ..... Chairman of Education  
Hereford & Worcester  
D Naismith ..... CEO Croydon  
L Norcross ..... Highbury Grove School  
D O'Keefe ..... PNL  
G Peele ..... Oxford University  
Pollard, Quinton  
R Ricketts ..... Middlesex Polytechnic  
Sams, Silk  
D Smith ..... Bradford School  
Vein

+Secretary of State

Mr Brooke

Mr Dunn

Mr Walden

Lady Cox

Mr Madell

Mr Sexton

Total 37



NDP 15 1/8  
SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

CONFIDENTIAL

I M Hughes Esq  
Private Secretary to the  
Secretary of State for Education and Science  
Department of Education and Science  
Elizabeth House  
York Road  
LONDON  
SE1 7PH

| August 1985

Dear Ian,

**REVIEW OF THE UNIVERSITY GRANTS COMMITTEE**

Thank you for copying to me your letter of 19 July to Andrew Turnbull about membership of the Committee under Lord Croham, which is to carry out a review of the UGC. My Secretary of State is content with the proposed membership and is pleased that you have included Dr Peter Clarke.

I am copying this letter to Andrew Turnbull (No. 10) Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), Colin Williams (Welsh Office), Steve Godber (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's Office and Richard Hatfield (Cabinet Office).

Yours sincerely,  
John Graham

J S GRAHAM  
Private Secretary

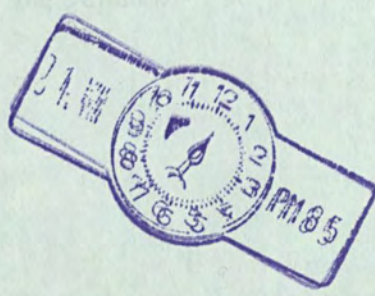
SECRET

TO: DIRECTOR, CENTRAL INTELLIGENCE AGENCY  
FROM: [Illegible]  
SUBJECT: [Illegible]

DEPARTMENT OF STATE

SECRET  
TOP SECRET  
CONFIDENTIAL  
RESTRICTED  
UNCLASSIFIED

CONFIDENTIAL



SECRET



## STUDENT NUMBERS IN HIGHER EDUCATION — GREAT BRITAIN: 1970 TO 1983

1. This Bulletin provides information about the numbers of full-time and part-time students at higher education institutions in Great Britain, including the Open University but excluding the University of Buckingham. It updates the figures in Statistical Bulletin 17/83 and looks at changes from 1970 to 1983.
2. The main results for full-time and sandwich students are set out below.
  - a. In 1983, there were 565,500 full-time and sandwich students in higher education in Great Britain. This was the highest number ever — 2 per cent more than in 1982 and 27 per cent more than in 1970. 519,500 of these were 'home' students.
  - b. Comparing 1983 with one year earlier, there was a decrease of 5,000 in the number of home full-time and sandwich university students, but an increase of 17,200 home students in public sector higher education institutions (including polytechnics and Scottish central institutions).
  - c. In contrast, there was a small increase (4 per cent) in the number of students from abroad in universities, but a decrease (9 per cent) in public sector higher education.
  - d. In 1980, 51 per cent of first year home students entered universities. By 1983, this proportion had dropped to 44 per cent.
  - e. In 1983, there was a decrease for the first time in the post war period in the numbers of first year home students on first degree courses. The numbers starting post-graduate and 'other advanced' courses rose by 5 and 4 per cent respectively.
  - f. The percentage of women students in higher education had been rising for a number of years and did so again in 1983, reaching 44 per cent for home students.
  - g. There were further small decreases in the age participation indices for both men and women in 1983. Qualified participation indices also fell to 88.6 for men and 74.0 for women, the lowest levels since 1978.
  - h. First indications for 1984 are that total student numbers will be about 1 per cent more than in 1983, with a further small decrease in universities offset by a further increase in public sector higher education.

### Definitions

3. The definitions of terms used in this Bulletin are given below.

#### Student numbers

All figures are based on an annual census of students registered with institutions as at December for universities and November for public sector institutions.

#### Advanced courses

Broadly, all courses which lead to qualifications of a standard higher than the Advanced Level of the General Certificate of Education or Scottish Higher Certificate.

## Higher education

All advanced courses provided by universities (including the Open University, but not the private university of Buckingham), polytechnics, Scottish central institutions and institutions of further and higher education.

## Public sector higher education

Higher education provided outside the universities in polytechnics, Scottish central institutions and institutions of further and higher education.

## Institutions of further education

Colleges (including polytechnics and Scottish central institutions) maintained or assisted by local authorities or grant-aided by one of the Education Departments. Cranfield Institute of Technology and the Royal College of Art are included.

## First year students

Students in the first year of any course of higher education, whether first degree, post-graduate or other advanced.

## Initial entrants

Students who entered a course of higher education for the first time. Those who transferred from one advanced course to another in the public sector have been excluded, as have those who started post-graduate courses.

## Mature and young initial entrants

Mature entrants are entrants aged 21 and over. Those aged under 21 are classified as young entrants.

## Age Participation Index (API)

The number of young home initial entrants to full-time and sandwich courses of higher education expressed as a percentage of the most relevant age cohort. This is taken as the average of those who were aged 18 and 19 in the relevant year.

## Qualified leavers

Those leaving school or further education establishments with at least 2 GCE A-levels or 3 Scottish Higher Certificates.

## Qualified Participation Index (QPI)

The number of young home initial entrants in the relevant year to full-time and sandwich courses of higher education, regardless of entry qualifications, multiplied by 100, divided by the number of students who, in the previous academic year, left schools or further education establishments with at least 2 GCE A-levels or 3 Scottish Higher Certificates.

## Students from abroad

To maintain comparability with statistics for other years, the definition of a student from abroad used for the purposes of this Bulletin is:

- a student at a university who was either charged a fee at the overseas rate or domiciled in a European Community country other than the United Kingdom and charged the home rate of fee;
- a student at a public sector higher education institution who was domiciled outside the UK.

## Home students

All other students.

## Full-time and sandwich students — Table 1

4. The total number of full-time and sandwich students in higher education increased by 2 per cent between 1982 and 1983 to reach 565,500, a record level. First indications for 1984 are of a 1 per cent rise in total numbers. The overall increase up to 1983 masked different trends for students at different types of institutions and on different types of courses.

**Table 1 Higher education: all full-time and sandwich students**

| Great Britain              | Thousands |       |       |       |
|----------------------------|-----------|-------|-------|-------|
|                            | 1970      | 1980  | 1982  | 1983  |
| <b>Type of institution</b> |           |       |       |       |
| Universities               | 228.1     | 298.7 | 295.4 | 291.7 |
| Public sector              | 217.2     | 222.3 | 258.0 | 273.8 |
| <b>Type of course</b>      |           |       |       |       |
| Postgraduate               | 49.1      | 61.0  | 57.1  | 59.6  |
| First degree               | 220.9     | 378.6 | 407.8 | 412.1 |
| Other advanced             | 175.2     | 81.4  | 88.5  | 93.8  |
| Total                      | 445.3     | 521.0 | 553.4 | 565.5 |

5. The total number of university students fell by 1 per cent to 291,700 in 1983, the second year running in which there was a decrease. In contrast, the number of public sector students increased by 6 per cent — to 273,800. First indications for 1984 are of a further small decrease in university student numbers and a small increase in the public sector.

6. Trends in the numbers of students on different types of courses are not so clear. (More details are given in Table 9.) Only the numbers of students on first degree courses increased continuously throughout the period, with an overall increase of 87 per cent between 1970 and 1983. The numbers on postgraduate courses rose during the seventies, fell until 1982, but increased again slightly in 1983 when they represented 11 per cent of all higher education students. The numbers on other advanced courses decreased sharply in the 1970s, but after 1980 increased again steadily. The decrease in the 1970s was mainly due to the phasing out of the Certificate of Education and its replacement by the Bachelor of Education degree. Other advanced courses, which are available mainly in public sector institutions, lead to the Higher National Certificates and Diplomas of the Business and Technician Education Council (and the predecessor, HND/HNC qualifications of the joint committees, BEC and TEC), college diplomas and professional qualifications.

## Full-time and sandwich students from home and abroad — Table 2

7. The number of students from abroad rose by 124 per cent between 1970 and 1980. However, subsequently, no doubt partly as a result of the introduction of full cost fees for such students, their numbers fell by 13 per cent. The decrease was mainly in public sector higher education — 30 per cent — and in the numbers on university first degree courses — 13 per cent. In universities, the numbers on postgraduate and other advanced courses increased. In 1983, 70 per cent of students from abroad in higher education were at universities and over half of these (36 per cent of all university postgraduate students) were on postgraduate courses.

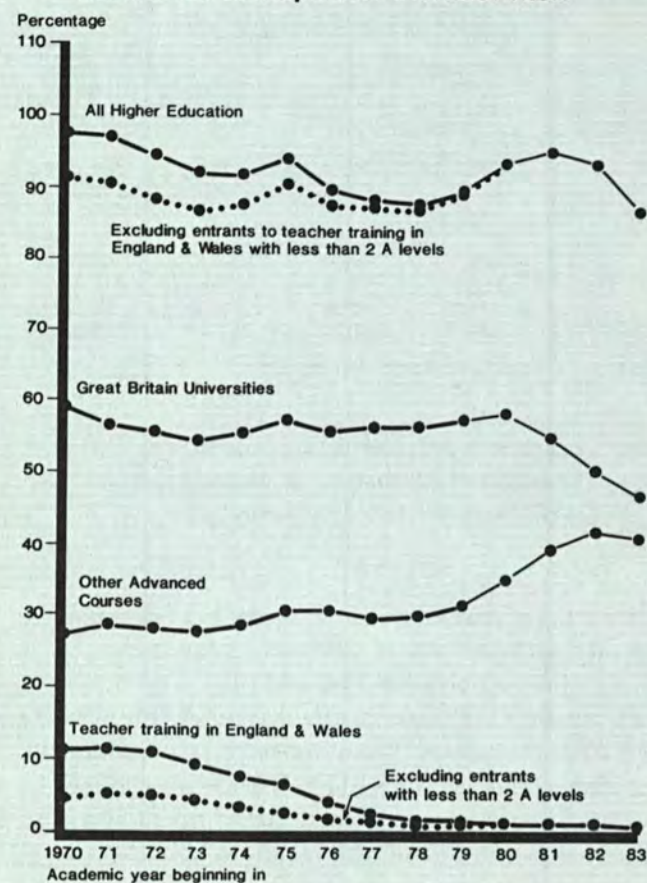
**Table 2 Higher education: full-time and sandwich students from home and abroad**

| Great Britain | Thousands |       |       |       |
|---------------|-----------|-------|-------|-------|
|               | 1970      | 1980  | 1982  | 1983  |
| <b>Home</b>   |           |       |       |       |
| Universities  | 210.1     | 265.4 | 264.5 | 259.5 |
| Public sector | 211.6     | 202.6 | 242.7 | 259.9 |
| Total         | 421.7     | 468.1 | 507.2 | 519.5 |
| <b>Abroad</b> |           |       |       |       |
| Universities  | 18.0      | 33.2  | 30.9  | 32.2  |
| Public sector | 5.6       | 19.7  | 15.3  | 13.8  |
| Total         | 23.6      | 52.9  | 46.2  | 46.0  |

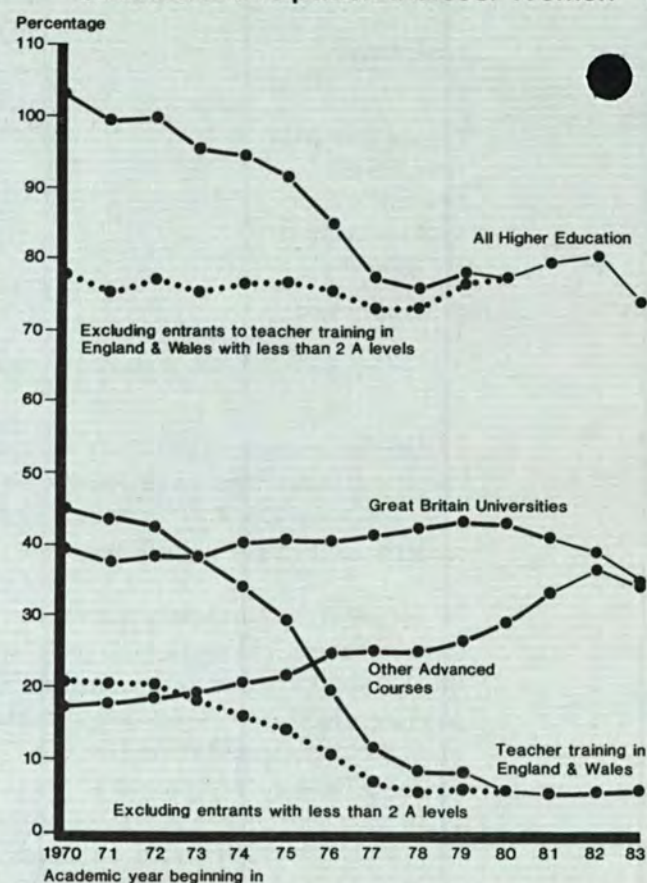
8. Although there was an overall increase in the number of home full-time and sandwich students over the period, the number at universities fell from 268,400 in the peak year of 1981 to 259,500 in 1983. This was almost entirely due to a 4 per cent decrease in the numbers on first degree courses. In contrast, the number of home students on first degree courses in the public sector continued to



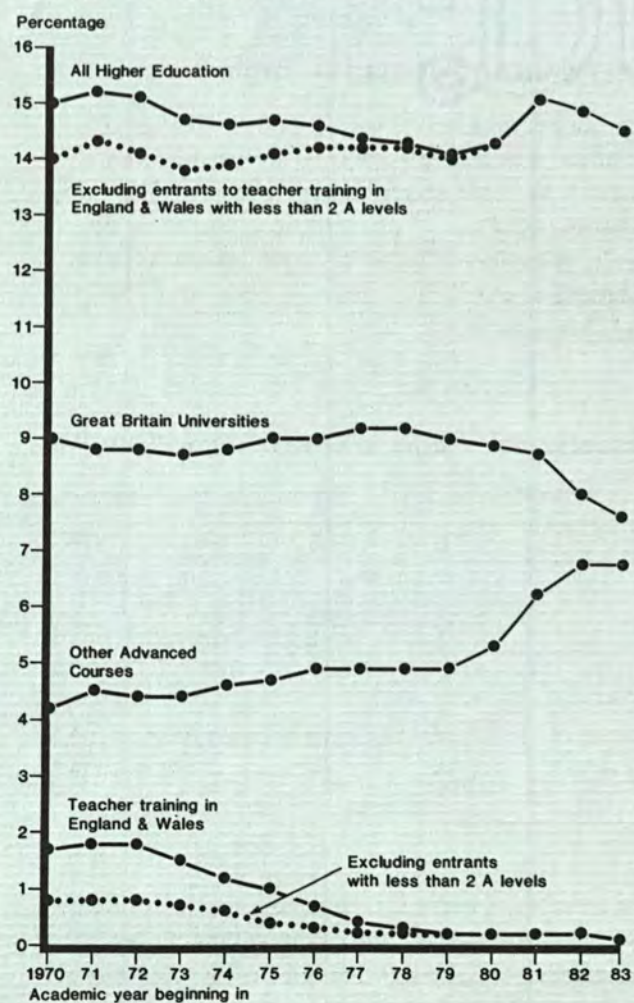
### Qualified Participation Indices: Men



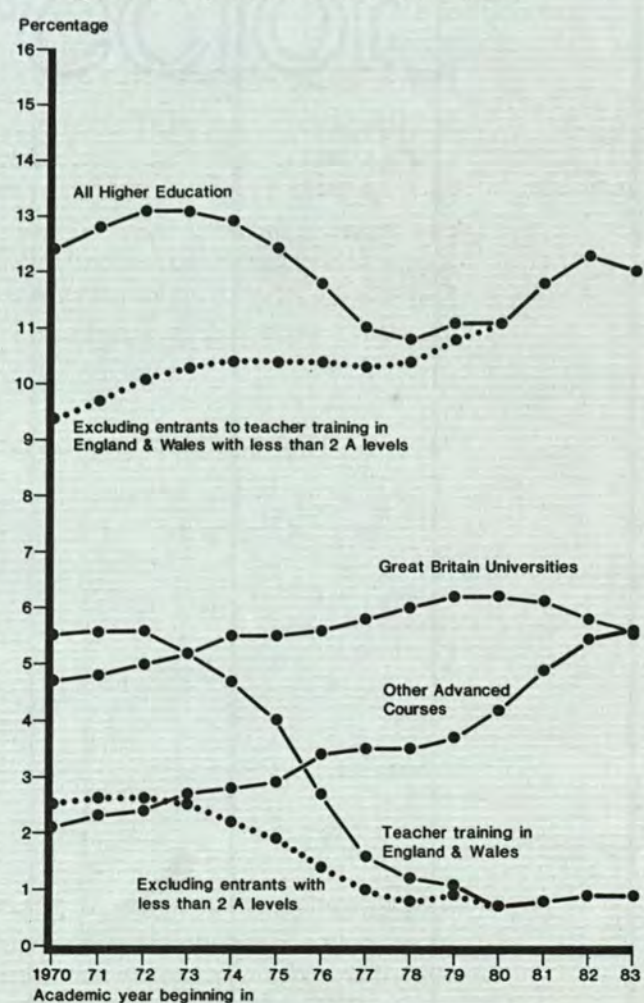
### Qualified Participation Indices: Women



### Age Participation Indices: Men



### Age Participation Indices: Women



increase rapidly to reach 164,600 in 1983, over four and a half times the number in 1970. After 1980, the number of home students on other advanced courses in the public sector also showed steady increases each year. The numbers of home students on postgraduate courses have fluctuated at a little over 40,000 in recent years, with the universities slightly increasing their proportion to just less than three quarters. As a result of these various changes, the total number of home full-time and sandwich students in public sector higher education was in 1983 just higher than the number in universities. This had not been the case since 1979 and the phasing out of the Certificate of Education as a teacher training qualification.

### First year full-time and sandwich students — Table 3

9. Information on first year students is indicative of future trends in total student numbers. The shift in entry in recent years from the university sector to the public sector is clear from table 3. Until 1980, there were steady increases in the numbers of students entering universities. From that year, decreases in entry for home students were requested by the University Grants Committee because of cut-backs in Government financial provision. The number of first year students decreased in the next two years and remained in 1983 at the 1982 level of 108,400.

**Table 3 Higher education: all first year full-time and sandwich students from home and abroad**

| Great Britain              | Thousands |       |       |       |
|----------------------------|-----------|-------|-------|-------|
|                            | 1970      | 1980  | 1982  | 1983  |
| <b>Type of institution</b> |           |       |       |       |
| Universities               | 87.9      | 113.5 | 108.4 | 108.4 |
| Public sector              | 91.4      | 102.4 | 119.9 | 121.8 |
| <b>Type of course</b>      |           |       |       |       |
| Postgraduate               | NA        | 40.4  | 40.1  | 42.4  |
| First degree               | NA        | 129.3 | 135.1 | 132.1 |
| Other advanced courses     | NA        | 46.1  | 53.2  | 55.7  |
| All first year students    | 179.3     | 215.9 | 228.4 | 230.2 |

10. These decreases in entry to university were more than offset numerically by increases in the number of students on first year public sector higher education courses. From 1981, there were more first year students in public sector institutions than in universities. The first indications for 1984 are for a slight swing back in favour of universities, with a 2 per cent rise in the number of entrants to universities and only a very small increase in the number of entrants to public sector higher education.

11. Analysis by level of course shows that in 1983 the number of students on the first year of first degree courses decreased for the first time. The numbers in the first year of postgraduate and other advanced courses increased by 6 and 5 per cent respectively.

12. These overall trends masked differences for home students and students from abroad and within types of institution for different types of course. (Details are given in Table 10). Both home students and students from abroad on first year courses increased in number in 1983, but for home students there was a decrease of 1,400 in entry to universities and for students from abroad a decrease of 200 in entry to public sector higher education. For students from abroad, the main increase was in those starting postgraduate courses (92 per cent of which were in universities) whose numbers rose to 12,400 and accounted for 51 per cent of all first year students from abroad.

13. For home students, the increase of 7 per cent in the numbers on the first year of postgraduate courses at universities did not compensate fully for a decrease for the third year running in the numbers entering first degree courses; so the total number of home students on the first year of their course at universities fell by 1 per cent to 90,200 in 1983, 8 per cent fewer than the peak in 1980.

14. Offsetting this decrease in the numbers of home first year students at universities, there was in 1983 an increase in the number of first year home students on public sector higher education courses. There was an increase of 2,400 (5 per cent) for other advanced courses, but there was a decrease of 1 per cent in the number of first year students on degree courses to 56,900 — 45 per cent of all first year home students on degree courses (36 per cent in 1980). Across all advanced level courses together, 56 per cent of all first year home students in higher education were in public sector institutions in 1983, compared with 49 per cent in 1980.

#### Men and women full-time and sandwich students — Table 4

15. The percentage of women students rose until the mid 1970's; then, following cutbacks in teacher training, it fell until 1980. Subsequently, it reverted to its longer term trend and increased slowly, but steadily, to nearly 44 per cent by 1983. Amongst first year students, the percentage of women also increased in recent years up to 44 per cent in 1982 and 1983.

**Table 4 Higher education: men and women on full-time and sandwich courses**

| Great Britain                   |  | Thousands |       |       |       |       |       | Percentage change |              |
|---------------------------------|--|-----------|-------|-------|-------|-------|-------|-------------------|--------------|
|                                 |  | 1970      | 1975  | 1980  | 1981  | 1982  | 1983  | 1970 to 1983      | 1982 to 1983 |
| <b>All home students</b>        |  |           |       |       |       |       |       |                   |              |
| Men                             |  | 248.0     | 257.0 | 270.8 | 282.3 | 287.6 | 292.4 | +18               | +2           |
| Women                           |  | 173.7     | 199.2 | 197.2 | 209.4 | 219.6 | 227.1 | +31               | +3           |
| Per cent women                  |  | 41.2      | 43.7  | 42.1  | 42.6  | 43.3  | 43.7  | —                 | —            |
| <b>First year home students</b> |  |           |       |       |       |       |       |                   |              |
| Men                             |  | 97.5      | 105.7 | 109.6 | 115.2 | 115.3 | 116.1 | +19               | +1           |
| Women                           |  | 69.9      | 79.3  | 82.1  | 86.7  | 89.7  | 89.6  | +28               | —            |
| Per cent women                  |  | 41.8      | 42.9  | 42.8  | 43.0  | 43.8  | 43.6  | —                 | —            |

#### Home full-time and sandwich initial entrants and participation indices — Table 5

16. The number of initial male and female entrants increased steadily up to 1982, but decreased for men and remained constant for women in 1983. For men, the percentage of entrants aged over 21 rose from 22.0 per cent in 1970 to 24.1 per cent in 1983. For women, it increased in the early 1970s to 22.6 per cent by 1975 and then dropped to 21.5 per cent in 1982 before rising again in 1983 to 22.0 per cent.

17. The table also shows the average of the 18 and 19 year old population and numbers of qualified leavers, together with age participation indices (API) and qualified participation indices (QPI). Entrants to teacher training certificate courses in England and Wales (which were phased out in the 1970s) were not required to have the minimum 2 GCE A-levels considered to be the normal entry qualification for higher education (although most did have such qualifications). Because of this and the effects on trends of the cutbacks in teacher training, the APIs and QPIs have been calculated on two bases. Trends between 1970 and 1983 are illustrated for men and women in diagrams 1 and 2. For men, the API reached a peak of 15.1 in 1981 and then declined slightly to 14.5 in 1983. For women, if entrants to teacher training courses with fewer than two A-levels are excluded, the rising trend in the API continued for one further year to 1982, when it reached 12.2. In 1983, it then declined slightly to 12.0. The difference between the APIs for men and for women narrowed over the years, but remained marked. The QPI peaked for men in 1981, and for women in 1982, reaching almost 95 for men and just over 80 for women. By 1983, it had decreased to 89 for men and 74 for women.

**Table 5 Higher education: ages<sup>1</sup> of home students entering full-time and sandwich courses for the first time**

| Great Britain  |  |       |       |       |       |       |       | Percentage change |              |
|--|--|-------|-------|-------|-------|-------|-------|-------------------|--------------|
|  |  | 1970  | 1975  | 1980  | 1981  | 1982  | 1983  | 1970 to 1983      | 1982 to 1983 |
| <b>Men</b>   |  |       |       |       |       |       |       |                   |              |
| <b>Home initial entrants<sup>2</sup> (thousands)</b> |  |       |       |       |       |       |       |                   |              |
| Aged under 21  |  | 57.2  | 59.7  | 64.8  | 68.5  | 69.8  | 68.9  | +20               | -1           |
| 21-24  |  | 9.6   | 8.6   | 10.9  | 11.5  | 11.6  | 11.4  | +19               | -2           |
| 25+  |  | 6.5   | 9.1   | 9.0   | 10.1  | 9.8   | 10.5  | +62               | +7           |
| Total  |  | 73.3  | 77.4  | 84.7  | 90.0  | 91.1  | 90.7  | +24               | —            |
| Per cent aged 21 and over                            |  | 22.0  | 22.9  | 23.5  | 24.0  | 23.4  | 24.1  | —                 | +3           |
| <b>Relevant population<sup>3</sup> (thousands)</b>   |  |       |       |       |       |       |       |                   |              |
|  |  | 382.0 | 405.0 | 453.0 | 455.0 | 470.0 | 477.0 | +25               | +1           |
| <b>Age participation indices</b>                     |  |       |       |       |       |       |       |                   |              |
| Adjusted <sup>4</sup>                                |  | 15.0  | 14.7  | 14.3  | 15.1  | 14.9  | 14.5  | -3                | -3           |
|  |  | 14.0  | 14.1  |       |       |       |       | +4                | -3           |
| <b>Qualified leavers (thousands)</b>                 |  |       |       |       |       |       |       |                   |              |
|  |  | 58.4  | 63.5  | 69.7  | 72.3  | 75.2  | 77.7  | +33               | +4           |
| <b>Qualified participation indices</b>               |  |       |       |       |       |       |       |                   |              |
| Adjusted <sup>4</sup>                                |  | 97.9  | 94.1  | 93.0  | 94.7  | 92.8  | 88.6  | -9                | -5           |
|  |  | 91.7  | 90.3  |       |       |       |       | -3                | -5           |
| <b>Women</b>   |  |       |       |       |       |       |       |                   |              |
| <b>Home initial entrants<sup>2</sup> (thousands)</b> |  |       |       |       |       |       |       |                   |              |
| Aged under 21  |  | 45.4  | 47.6  | 48.7  | 52.0  | 55.2  | 54.8  | +21               | -1           |
| 21-24  |  | 3.6   | 4.9   | 5.7   | 6.2   | 6.2   | 6.2   | +72               | —            |
| 25+  |  | 7.5   | 9.0   | 8.1   | 8.7   | 8.9   | 9.3   | +24               | +4           |
| Total  |  | 56.5  | 61.5  | 62.5  | 66.9  | 70.3  | 70.3  | +25               | —            |
| Per cent aged 21 and over                            |  | 19.6  | 22.6  | 22.1  | 22.4  | 21.5  | 22.0  | —                 | —            |
| <b>Relevant population<sup>3</sup> (thousands)</b>   |  |       |       |       |       |       |       |                   |              |
|  |  | 368.0 | 384.0 | 439.0 | 440.0 | 453.0 | 456.0 | +24               | +1           |
| <b>Age participation indices</b>                     |  |       |       |       |       |       |       |                   |              |
| Adjusted <sup>4</sup>                                |  | 12.4  | 12.4  | 11.1  | 11.8  | 12.2  | 12.0  | -3                | -1           |
|  |  | 9.4   | 10.4  |       |       |       |       | +27               | -1           |
| <b>Qualified leavers (thousands)</b>                 |  |       |       |       |       |       |       |                   |              |
|  |  | 44.0  | 51.8  | 63.2  | 65.2  | 68.8  | 74.1  | +68               | +4           |
| <b>Qualified participation indices</b>               |  |       |       |       |       |       |       |                   |              |
| Adjusted <sup>4</sup>                                |  | 103.2 | 91.8  | 77.1  | 79.7  | 80.2  | 74.0  | -28               | -8           |
|  |  | 78.2  | 76.5  |       |       |       |       | -5                | -8           |
| <b>Men and women</b>                                 |  |       |       |       |       |       |       |                   |              |
| <b>Age participation indices</b>                     |  |       |       |       |       |       |       |                   |              |
| Adjusted <sup>4</sup>                                |  | 13.7  | 13.6  | 12.7  | 13.5  | 13.5  | 13.3  | -3                | -1           |
|  |  | 11.7  | 12.3  |       |       |       |       | +14               | -1           |
| <b>Qualified participation indices</b>               |  |       |       |       |       |       |       |                   |              |
| Adjusted <sup>4</sup>                                |  | 100.2 | 93.1  | 85.4  | 87.6  | 86.8  | 81.5  | -19               | -5           |
|  |  | 85.8  | 84.0  |       |       |       |       | -5                | -5           |

1 At December

2 Estimated

3 Number of 18 and 19 year olds divided by 2

4 Excluding entrants to teacher training courses in England and Wales with fewer than two 'A' levels

#### Full-time and part-time home students in higher education — Table 6

18. In contrast to full-time students, the numbers of university part-time students continued the upward trend with an increase of 3 per cent between 1982 and 1983 to reach 110,800. Sixty-nine per cent were studying with the Open University and a further 26 per cent were postgraduates. The number of part-time students in public sector higher education also increased in 1983, rising by 3 per cent to 200,800. This was due to increases in the number of part-time students on all types of courses. The total number of part-time students in higher education increased by 3 per cent between 1982 and 1983.

**Table 6 Higher education: all home students on full-time, sandwich and part-time courses (including the Open University's)**

| Great Britain   | Thousands |       |       |       |       |       | Percentage change |              |
|---|-----------|-------|-------|-------|-------|-------|-------------------|--------------|
|   | 1970      | 1975  | 1980  | 1981  | 1982  | 1983  | 1970 to 1983      | 1982 to 1983 |
|   |           |       |       |       |       |       |                   |              |
| <b>Universities</b>                                   |           |       |       |       |       |       |                   |              |
| Full-time: Home students                              | 210.1     | 230.1 | 265.4 | 268.4 | 264.5 | 259.5 | + 24              | -2           |
| Part-time: Postgraduates                              | 17.6      | 21.5  | 27.4  | 28.2  | 28.3  | 29.0  | + 64              | + 2          |
| Undergraduates <sup>1</sup>                           | 4.9       | 3.5   | 4.5   | 5.0   | 5.2   | 5.6   | + 15              | + 9          |
| Open University <sup>2</sup>                          | 19.6      | 56.0  | 67.8  | 71.0  | 74.5  | 76.1  | + 288             | + 2          |
| All part-time   | 42.2      | 81.0  | 99.7  | 104.2 | 108.0 | 110.8 | + 163             | + 3          |
| All home students                                     | 252.3     | 311.1 | 365.1 | 372.6 | 372.5 | 370.3 | + 47              | -1           |
| <b>Public sector</b>                                  |           |       |       |       |       |       |                   |              |
| Full-time: Home students                              | 211.6     | 226.1 | 202.6 | 223.3 | 242.7 | 259.9 | + 23              | + 7          |
| Part-time: Postgraduates                              | 7.5       | 8.2   | 12.3  | 13.3  | 13.8  | 14.0  | + 86              | + 2          |
| First degrees   | 5.3       | 6.8   | 16.8  | 17.7  | 18.8  | 20.0  | + 275             | + 7          |
| Other advanced courses                                | 106.8     | 119.1 | 159.4 | 160.8 | 162.1 | 166.8 | + 56              | + 3          |
| All part-time   | 119.6     | 134.1 | 188.5 | 191.7 | 194.6 | 200.8 | + 68              | + 3          |
| All home students                                     | 331.2     | 360.3 | 391.2 | 415.0 | 437.3 | 460.7 | + 39              | + 5          |
| <b>All higher education</b>                           |           |       |       |       |       |       |                   |              |
| Full-time: Home students                              | 421.7     | 456.2 | 468.1 | 491.7 | 507.2 | 519.5 | + 23              | + 2          |
| Part-time: Postgraduates                              | 25.2      | 30.1  | 40.4  | 42.2  | 42.9  | 43.6  | + 73              | + 2          |
| First degrees   | 27.5      | 59.8  | 79.6  | 84.1  | 88.7  | 90.5  | + 221             | + 2          |
| Other advanced courses <sup>1</sup>                   | 109.1     | 125.2 | 168.2 | 169.7 | 171.1 | 177.4 | + 56              | + 4          |
| All part-time   | 161.8     | 215.1 | 288.2 | 295.9 | 302.6 | 311.5 | + 85              | + 3          |
| All home students                                     | 583.5     | 671.3 | 756.3 | 787.6 | 809.9 | 831.0 | + 40              | + 3          |
| <b>Part-time as a percentage of all home students</b> | 28        | 32    | 38    | 38    | 37    | 37    | —                 | —            |

1 Including a few part-time university students on diploma courses.  
2 Students on short courses have been excluded from this table.

**First and higher degrees awarded — Table 7**

19. Trends in the number of degrees awarded must be interpreted with caution. Figures provided by the CNAAs relate to degree results processed during the year, not to the numbers awarded. The figures in table 7 for CNAAs first degrees are estimates of the numbers awarded each year. Furthermore, public sector degrees validated by universities (mostly BEd degrees) are not included in this table. Nevertheless, it is clear that the upward trend in the numbers of first degrees awarded by

**Table 7 Higher education: degrees awarded**

| Great Britain                               | Thousands |       |       |       | Percentage change |
|---|-----------|-------|-------|-------|-------------------|
|   | 1976      | 1981  | 1982  | 1983  | 1976 to 1983      |
|   |           |       |       |       |                   |
| <b>Universities<sup>1</sup></b>             |           |       |       |       |                   |
| First degrees                               | 55.8      | 68.0  | 70.1  | 72.2  | + 29              |
| Higher degrees                              | 17.1      | 19.8  | 19.8  | 20.6  | + 20              |
| Total                                       | 72.9      | 87.9  | 89.9  | 92.8  | + 27              |
| <b>Council for National Academic Awards</b> |           |       |       |       |                   |
| First degrees <sup>2</sup>                  | 11.4      | 28.3  | 28.6  | 30.9  | + 171             |
| Higher degrees                              | 0.3       | 1.0   | 0.9   | 0.9   | + 200             |
| Total                                       | 11.8      | 29.3  | 29.5  | 31.8  | + 169             |
| <b>Open University</b>                      |           |       |       |       |                   |
| First degrees                               | 6.0       | 6.5   | 6.4   | 5.6   | - 7               |
| <b>All above</b>                            |           |       |       |       |                   |
| First degrees                               | 73.3      | 102.9 | 105.1 | 108.7 | + 48              |
| Higher degrees                              | 17.4      | 20.8  | 20.7  | 21.5  | + 24              |
| Total                                       | 90.7      | 123.7 | 125.8 | 130.2 | + 44              |

1 Degrees awarded by public sector institutions and validated by universities are excluded from this table. Most are BEd degrees. The source of these statistics is the University First Destination survey.  
2 Estimates based on published CNAAs statistics (see paragraph 19).

both the universities and the CNAAs continued with 72,200 university and 30,900 CNAAs first degrees awarded in 1983. The number of higher degrees awarded by universities also increased to 20,600 in 1983. The number of first degrees awarded by the Open University fell in 1983 for the second year running.

**Full-time and sandwich home students by subject of study — Table 8**

20. Between 1980 and 1983, there was an overall increase of 11 per cent in the number of full-time and sandwich home students. During this period, the number of students studying education decreased by 9 per cent, but in all the other subjects there were increases. However, the numbers of students studying agricultural sciences, languages and humanities all decreased in 1983 and those in medical and biological sciences showed only relatively small increases overall. The mathematical sciences, creative arts, engineering and technology and law and management groups showed the largest increases over the four year period.

21. After 1980, there was a small shift towards science based courses (Groups A-G in table 8). The percentage of all students on science based courses was 45 per cent in 1980, but rose slightly to more than 46 per cent by 1983.

**Table 8 Higher education: subjects of study of home students on full-time and sandwich courses**

| Great Britain                                      | Thousands |       |       |       | Percentage change |
|--|-----------|-------|-------|-------|-------------------|
|  | 1980      | 1981  | 1982  | 1983  | 1980 to 1983      |
|  |           |       |       |       |                   |
| <b>Subject group</b>                               |           |       |       |       |                   |
| A. Medicine, dentistry and health                  | 36.4      | 37.2  | 37.9  | 38.4  | + 6               |
| B. Biological sciences                             | 21.4      | 21.6  | 22.1  | 22.4  | + 4               |
| C. Agricultural sciences                           | 7.0       | 7.4   | 7.5   | 7.3   | + 5               |
| D. Physical sciences                               | 43.0      | 46.4  | 47.4  | 48.4  | + 13              |
| E. Mathematical sciences                           | 19.2      | 21.9  | 24.5  | 26.8  | + 40              |
| F. Engineering and technology                      | 62.0      | 66.6  | 70.6  | 73.0  | + 18              |
| G. Architecture and planning                       | 21.3      | 22.3  | 23.1  | 24.0  | + 15              |
| H. Law and management                              | 51.7      | 56.5  | 58.5  | 60.1  | + 16              |
| I. Social studies                                  | 62.2      | 64.2  | 65.9  | 67.3  | + 8               |
| J. Education and teacher training                  | 47.0      | 45.3  | 42.6  | 42.7  | - 9               |
| K. Languages (including English)                   | 38.8      | 39.5  | 39.5  | 39.1  | + 1               |
| L. Humanities                                      | 14.0      | 14.1  | 14.5  | 14.3  | + 2               |
| M. Creative Arts                                   | 44.1      | 48.8  | 53.2  | 55.7  | + 26              |
| Total  | 468.1     | 491.7 | 507.2 | 519.5 | + 11              |
| <b>of which</b>                                    |           |       |       |       |                   |
| Science (Groups A-G)                               | 210.3     | 223.5 | 233.0 | 240.3 | + 14              |
| Total excluding Group J                            | 421.1     | 446.5 | 464.6 | 476.8 | + 13              |
| Science as a percentage of total                   | 45        | 45    | 46    | 46    | —                 |
| Science as a percentage of total excluding Group J | 50        | 50    | 50    | 50    | —                 |

**Further information**

Enquiries about statistics in this Bulletin should be addressed to the Statistics Division at the above address. Press enquiries should be addressed to the Department's Press Office (Direct Line: 01-934 9880). Requests for further university statistics should be addressed to the Universities' Statistical Record, Central Record Office, Post Office Box 130, Cheltenham, Gloucestershire, GL50 1JW, enquiries relating to applications for university courses or acceptances to the Universities' Central Council on Admissions, Post Office Box 28, Cheltenham, Gloucestershire, GL50 1HY.

**Table 9 Higher education: home students and students from abroad on full-time and sandwich courses**

| Great Britain               | Thousands |       |       |       |       |       | Percentage change |      |
|-----------------------------|-----------|-------|-------|-------|-------|-------|-------------------|------|
|                             | 1970      | 1975  | 1980  | 1981  | 1982  | 1983  | 1970              | 1982 |
|                             |           |       |       |       |       |       | to                | to   |
|                             |           |       |       |       |       |       | 1983              | 1983 |
| <b>Home students</b>        |           |       |       |       |       |       |                   |      |
| <b>Universities</b>         |           |       |       |       |       |       |                   |      |
| Postgraduates               | 31.3      | 32.6  | 31.1  | 30.8  | 29.5  | 30.6  | - 2               | + 4  |
| First degrees               | NA        | 196.0 | 232.7 | 236.1 | 233.2 | 227.5 | NA                | - 2  |
| Other advanced courses      | NA        | 1.5   | 1.6   | 1.6   | 1.8   | 1.4   | NA                | -23  |
| Total                       | 210.1     | 230.1 | 265.4 | 268.4 | 264.5 | 259.5 | + 24              | - 2  |
| <b>Public sector</b>        |           |       |       |       |       |       |                   |      |
| Postgraduates               | NA        | NA    | 12.1  | 12.1  | 10.5  | 10.8  | NA                | + 3  |
| First degrees               | 36.3      | 65.1  | 121.4 | 138.1 | 153.4 | 164.6 | + 354             | + 7  |
| Other advanced courses      | NA        | NA    | 69.2  | 73.0  | 78.9  | 84.4  | NA                | + 7  |
| Total                       | 211.6     | 226.1 | 202.6 | 223.3 | 242.7 | 259.9 | + 23              | + 7  |
| All home students           | 421.7     | 456.2 | 468.1 | 491.7 | 507.2 | 519.5 | + 23              | + 2  |
| <b>Students from abroad</b> |           |       |       |       |       |       |                   |      |
| <b>Universities</b>         |           |       |       |       |       |       |                   |      |
| Postgraduates               | 10.8      | 17.2  | 16.5  | 16.1  | 15.9  | 16.9  | + 56              | + 6  |
| First degrees               | NA        | 12.1  | 15.1  | 14.1  | 13.6  | 13.2  | NA                | - 2  |
| Other advanced courses      | NA        | 1.9   | 1.7   | 1.6   | 1.5   | 2.1   | NA                | +42  |
| Total                       | 18.0      | 31.2  | 33.2  | 31.8  | 30.9  | 32.2  | + 79              | + 4  |
| <b>Public sector</b>        |           |       |       |       |       |       |                   |      |
| Postgraduates               | NA        | NA    | 1.4   | 1.4   | 1.3   | 1.3   | NA                | + 2  |
| First degrees               | 1.9       | 5.8   | 9.4   | 9.1   | 7.6   | 6.7   | + 259             | -13  |
| Other advanced courses      | NA        | NA    | 8.9   | 8.1   | 6.4   | 5.9   | NA                | - 8  |
| Total                       | 5.6       | 16.4  | 19.7  | 18.6  | 15.3  | 13.8  | + 146             | - 9  |
| All students from abroad    | 23.6      | 47.6  | 52.9  | 50.3  | 46.2  | 46.0  | + 95              | -    |
| <b>All students</b>         |           |       |       |       |       |       |                   |      |
| <b>Universities</b>         |           |       |       |       |       |       |                   |      |
| Postgraduates               | 42.1      | 49.8  | 47.5  | 46.8  | 45.4  | 47.5  | + 13              | + 5  |
| First degrees               | 182.8     | 208.1 | 247.8 | 250.2 | 246.7 | 240.8 | + 32              | - 2  |
| Other advanced courses      | 3.2       | 3.4   | 3.3   | 3.2   | 3.3   | 3.5   | + 8               | + 6  |
| Total                       | 228.1     | 261.3 | 298.7 | 300.2 | 295.4 | 291.7 | + 28              | - 1  |
| <b>Public sector</b>        |           |       |       |       |       |       |                   |      |
| Postgraduates               | 7.1       | 12.0  | 13.5  | 13.5  | 11.8  | 12.1  | + 72              | + 3  |
| First degrees               | 38.1      | 70.9  | 130.8 | 147.2 | 161.0 | 171.3 | + 349             | + 6  |
| Other advanced courses      | 172.0     | 159.6 | 78.1  | 81.1  | 85.2  | 90.3  | - 48              | + 6  |
| Total                       | 217.2     | 242.5 | 222.3 | 241.8 | 258.0 | 273.8 | + 26              | + 6  |
| All students                | 445.3     | 503.8 | 521.0 | 542.0 | 553.4 | 565.5 | + 27              | + 2  |

**Table 10 Higher education: first year home students and students from abroad on full-time and sandwich courses**

| Great Britain               | Thousands |       |       |       |       |       | Percentage change |      |
|-----------------------------|-----------|-------|-------|-------|-------|-------|-------------------|------|
|                             | 1970      | 1975  | 1980  | 1981  | 1982  | 1983  | 1970              | 1982 |
|                             |           |       |       |       |       |       | to                | to   |
|                             |           |       |       |       |       |       | 1983              | 1983 |
| <b>Home students</b>        |           |       |       |       |       |       |                   |      |
| <b>Universities</b>         |           |       |       |       |       |       |                   |      |
| Postgraduates               | 18.5      | 20.7  | 19.6  | 20.3  | 19.5  | 20.8  | + 12              | + 7  |
| First degrees               | NA        | 66.9  | 77.4  | 74.0  | 70.8  | 68.6  | NA                | - 3  |
| Other advanced courses      | NA        | 1.0   | 1.1   | 1.1   | 1.3   | 1.0   | NA                | -34  |
| Total                       | 78.7      | 88.5  | 98.2  | 95.4  | 91.6  | 90.2  | + 15              | - 1  |
| <b>Public sector</b>        |           |       |       |       |       |       |                   |      |
| Postgraduates               | NA        | NA    | 10.6  | 10.7  | 9.1   | 9.2   | NA                | + 1  |
| First degrees               | NA        | NA    | 44.4  | 53.4  | 57.2  | 56.9  | NA                | - 1  |
| Other advanced courses      | NA        | NA    | 38.4  | 42.4  | 47.1  | 49.4  | NA                | + 5  |
| Total                       | 88.6      | 96.5  | 93.5  | 106.5 | 113.4 | 115.5 | + 30              | + 2  |
| All home students           | 167.4     | 185.0 | 191.7 | 201.9 | 204.9 | 207.7 | + 23              | -    |
| <b>Students from abroad</b> |           |       |       |       |       |       |                   |      |
| <b>Universities</b>         |           |       |       |       |       |       |                   |      |
| Postgraduates               | 5.6       | 10.0  | 9.2   | 10.2  | 10.6  | 11.4  | + 105             | + 8  |
| First degrees               | NA        | 5.1   | 4.6   | 4.6   | 4.8   | 4.7   | NA                | - 2  |
| Other advanced courses      | NA        | 1.8   | 1.6   | 1.5   | 1.4   | 2.0   | NA                | +41  |
| Total                       | 9.1       | 16.9  | 15.3  | 16.3  | 16.9  | 18.2  | + 99              | + 8  |
| <b>Public sector</b>        |           |       |       |       |       |       |                   |      |
| Postgraduates               | NA        | NA    | 1.1   | 1.1   | 1.0   | 1.0   | NA                | + 3  |
| First degrees               | 0.8       | 2.6   | 2.9   | 2.9   | 2.3   | 1.9   | + 147             | -15  |
| Other advanced courses      | NA        | NA    | 4.9   | 4.6   | 3.4   | 3.4   | NA                | + 2  |
| Total                       | 2.8       | 9.4   | 8.9   | 8.5   | 6.6   | 6.3   | + 127             | - 4  |
| All students from abroad    | 11.9      | 26.3  | 24.2  | 24.8  | 23.4  | 24.5  | + 106             | + 5  |
| <b>All students</b>         |           |       |       |       |       |       |                   |      |
| <b>Universities</b>         |           |       |       |       |       |       |                   |      |
| Postgraduates               | 24.1      | 30.7  | 28.8  | 30.5  | 30.1  | 32.2  | + 34              | + 7  |
| First degrees               | 61.3      | 72.1  | 82.0  | 78.6  | 75.6  | 73.3  | + 20              | - 3  |
| Other advanced courses      | 2.3       | 2.6   | 2.7   | 2.6   | 2.8   | 2.9   | + 28              | + 4  |
| Total                       | 87.9      | 105.4 | 113.5 | 111.7 | 108.4 | 108.4 | + 23              | -    |
| <b>Public sector</b>        |           |       |       |       |       |       |                   |      |
| Postgraduates               | NA        | NA    | 11.7  | 11.7  | 10.0  | 10.2  | NA                | + 1  |
| First degrees               | NA        | NA    | 47.3  | 56.2  | 59.5  | 58.8  | NA                | - 1  |
| Other advanced courses      | NA        | NA    | 43.4  | 47.0  | 50.4  | 52.8  | NA                | + 5  |
| Total                       | 91.4      | 105.9 | 102.4 | 115.0 | 119.9 | 121.8 | + 33              | + 2  |
| All students                | 179.3     | 211.3 | 215.9 | 226.7 | 228.4 | 230.2 | + 28              | + 1  |

## Digest of Education Statistics

The DES publishes annually a 'Digest of Statistics' of education in England, priced £2. The main features of the publication are its handy size, easy reference and that it contains the latest figures available (usually 1982-83 in the current edition) in around 30 simple tables, showing time series of the most sought after statistics in educational finance, school pupils and teachers, school leavers, 16-19 year olds, further and higher education, and overseas students. Enquiries relating to the digest should be directed to the DES Statistics Branch (Direct Telephone No. 01-934 9108/9) but orders for copies of the current edition of the 'Digest of Statistics' (published December 1983) should be sent to Room 337, Department of Education and Science, Mowden Hall, Staindrop Road, Darlington DL3 9DG.

## Education Statistics Data Sets

|   |     |
|---|-----|
| Schools (England)                       | £10 |
| School Leavers, CSE and GCE (England)   | £10 |
| Further Education (England)             | £12 |
| Teachers in Service (England and Wales) | £10 |
| Finance and Awards (England and Wales)  | £10 |
| Digest of Statistics (England)          | £2  |

DES produces these detailed education statistics, including time series and regional data, annually. The Digest of Statistics provides summary time series data for all sectors.

DES data sets are available from:

Room 337  
Department of Education and Science  
Mowden Hall  
Staindrop Road  
Darlington DL3 9BG

---

**Education Statistics for the United Kingdom** £7.95

An HMSO publication available from Government Bookshops.

Prices are inclusive of Postage and Packing.

Copies of this bulletin and of most earlier issues can be obtained from the Department's Statistics Branch, Elizabeth House, York Road, London SE1 7PH — Direct Telephone No. 01-934 9038. Recent titles are listed below:

- 1/84 Pupil/Teacher Ratios for each Local Education Authority in England — January 1983
- 2/84 Education Statistics for the United Kingdom, 1983 Edition
- 3/84 Student Awards — Figures for 1981—82
- 4/84 Pupils under Five Years in each Local Education Authority in England — January 1983
- 5/84 Enrolments on Non-Advanced courses in Further Education
- 6/84 Statistics of Schools in England — January 1983
- 7/84 Students from Abroad in Great Britain in 1982—83 and Provisional Information for 1983—84
- 8/84 Enrolments on Advanced Further Education Courses, October 1983
- 9/84 International Statistical Comparisons in Higher Education
- 10/84 Finance
- 11/84 English School Leavers 1982—83
- 12/84 Teachers in Service and Teacher Vacancies 1983—84
- 13/84 School Standards and Spending: Statistical Analysis
- 14/84 Employment of Newly-Trained Teachers
- 1/85 Education Statistics for the United Kingdom, 1984
- 2/85 Survey of Shared and Extended Use of Schools in 1983
- 3/85 Student Awards in 1982—83: England and Wales
- 4/85 Statistics of Schools in England — January 1984
- 5/85 Educational and Economic Activity of Young People aged 16 to 18 Years in Great Britain from 1974 to 1984
- 6/85 Pupils under Five Years in each Local Education Authority in England — January 1984
- 7/85 Pupil/Teacher Ratios for each Local Education Authority in England — January 1984
- 8/85 Statistics of Further Education Students in England — November 1983



DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Viscount Whitelaw  
Lord President of the Council  
68 Whitehall  
LONDON SW1

31 July 1985

*Dear Willie,*

HOUSE OF LORDS SELECT COMMITTEE  
REPORT ON EDUCATION AND TRAINING FOR NEW TECHNOLOGIES

1. This Report, produced by a Sub-Committee of the House of Lords Select Committee on Science and Technology, was published last January. I now attach a draft of the Government's response which has been developed through co-operation between officials from the Department affected by the recommendations. The present text reflects some editorial reworking from the draft circulated among officials but is, in substance, unchanged. The response will need to be issued in the form of a White Paper and I am now seeking clearance for this through the present correspondence.
2. We have taken the opportunity, in the introduction to the response, to draw attention to the scale and coherence of Government policies to meet the educational and training challenge posed by the new technologies (while seeking to avoid the charge of complacency). The main body of the Report thereafter deals with the Committee's individual recommendations. On quite a number of these we are able, as you will note, to be suitably positive. But on some of the Committee's central recommendations, notably the proposal to establish an Education and Training Board (recommendations 9 and 10) and on the proposed National Training Levy (recommendation 40) the draft response is negative, reflecting both the outcome of the inter-Departmental discussions between officials and wider reaction to the proposals from, among others, the CBI.
3. Recommendations 17 and 19, concerning possible extensions of tax concessions to stimulate increased industrial contributions to educational institutions, give rise to particular difficulty. The draft currently rejects the recommendation on the advice of Inland Revenue officials. My own view is, however, that a wholly negative response couched in those terms will be seen as resting uncomfortably alongside our current encouragement to industry to do more to support the education system - encouragement which seems, at least in prospect to be on the brink of eliciting

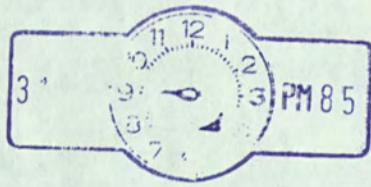
/cont'd...

a substantial response through such channels as the new Information Technology Skills Agency. This is, moreover, an area where a number of influential voices within industry have themselves been pressing for Government to adopt a more positive posture. For these reasons, while I acknowledge that there may be problems for the Revenue, I believe that the time would now be opportune to establish a Working Group of officials and representatives of industry to examine the present scale of relevant tax concessions to industry and commerce, and the scope of their extension, so that we may judge whether further tax incentives would act to stimulate substantial increased support - financially or in kind - for the education system. A response along these lines would also, for obvious reasons, improve the presentational aspect of our response to the Report as a whole which may otherwise be seen as generally rather negative.

4. I would be grateful for the Chancellor's comments - and for those of colleagues' generally - on this issue in the light of which this section of the response could be recast as appropriate. I would also be grateful for consent to the issue of the response as a whole and would ask if replies could reach me by 23 August - permitting publication in mid to late September. (There may need to be some minor updating in the light of relevant developments since the text was prepared). This is after the time originally envisaged but I have recently written to Lord Gregson, the Chairman of the Sub-Committee, alerting him to the fact that our response would be a little longer delayed.

5. Copies of this letter go to the Prime Minister, Members of H Committee, the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, Sir Robert Armstrong and Sir Robin Nicholson.

Yours ever,  
Kain





NBPm

OK.



From the Secretary of State  
With the Private Secretary's Compliments

The attached draft response  
was omitted from the  
letter from Sir Keith Joseph  
to Lord Whiteley of  
31 July 1985 on "House  
of Lords ~~and~~ Select  
Committee Report on Education  
and Training for New Technologies"

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

1/8/85 *Chinbones*

## EDUCATION AND TRAINING FOR NEW TECHNOLOGIES: DRAFT RESPONSE

1. The Government welcomes the Committee's comprehensive and illuminating report. This response sets out the thrust of relevant Government policy and addresses the particular recommendations the Committee directs to Government, commenting on others where it seems helpful and appropriate to do so.

2. Chapter 5 of the Committee's report draws attention to the critical link between educational and training provision, on the one hand, and technological progress and economic growth on the other. Encapsulating this relationship in the "Summary of Conclusions and Recommendations", the Committee recommends:

Recommendation 1, 2 and 3

1. "Technological progress in the UK is being hampered by failure to develop its human resources. The UK's competitive edge in international trade is at stake. There is no more serious challenge than the adequate provision of people properly qualified and trained to exploit new technologies as they emerge."
2. "New technologies make great demands on the intellectual resources of the nation. Hitherto the response of the education and training system has been insufficient. Attention must be given to longer-term needs, to redress the lack of correlation between educational provision and industrial requirements."
3. "The development and application of new technologies depend on leading edge technologists. The emphasis of UK policy should be on the encouragement of scientists and technologists of high quality, on underpinning such excellence by raising the technological literacy of the nation; and on continuous learning and updating."

3. The Government fully endorses the main features of this analysis. Similar conclusions underpin the Government's recent Green Paper: "The Development of Higher Education in the 1990s" (Cmd 9524, May 1985, which will be referred to in this document as the Higher Education Green Paper). This stated, in particular:

"The Government is particularly concerned by the evidence that the societies of our competitors are producing, and plan in the future to produce, more qualified scientists, engineers, technologists and technicians than the United Kingdom. A thriving economy needs these skills both to develop the talents of entrepreneurs and to support their achievements: if the present trends continue, the result seems likely to be a further fall in our relative standard of living and our ability to sustain our cultural heritage" (paragraph 1.3).

The Government has, furthermore, acted positively and consistently on the basis of this analysis. Over the past few years it has developed relevant initiatives at all levels of the education system aimed at strengthening the focus on science and technology generally and the new technologies in particular.

4. In higher education, which uniquely provides the additional "leading edge" technologists the nation urgently requires:

- it established in December 1982 the Information Technology in Higher Education Initiative (IT in HE), providing, by October 1985, 5,000 additional places, in universities, polytechnics and other colleges, in electronic engineering and computer science, at higher diploma as well as degree level;
- through the IT in HE and "New Blood" schemes it has provided resources for 950 additional university posts, to assist the recruitment of able young researchers and teachers into departments, mainly in the sciences, where the scope for appointments would otherwise have been extremely limited;
- it has successfully encouraged both the universities and the polytechnics (through advice, respectively, to the University Grants Committee (UGC) and the National Advisory Body for Public Sector Higher Education (NAB)) to increase the proportion of science and technology students in their planned intakes for 1984-85 and 1985-86;

- in Scotland, it has funded the creation of additional engineering and technology places in the Central Institutions with the objective of increasing the Institutions' graduate output in these subjects by around one-third by 1989-90;

- most recently, in March this year, it launched the Engineering and Technology Programme, which will eventually provide an estimated 4,000 extra places in first degree and masters' courses - largely in subject areas directly relevant to the new technologies.

5. In the area of non-advanced further education, upon which the output of skilled technician support depends, the Government has:

- through the measures set out in the White Paper 'Training for Jobs' (Cmnd 9135, January 1984) set in train arrangements under which the Manpower Services Commission will assist LEAs in the planning of courses in areas relevant to the new technologies;

- announced in the recent White Paper "Education and Training for Young People" (Cmnd 9482, April 1985) expansion of the Youth Training Scheme and a review of vocational qualifications in England and Wales.

- supported with a £9m grant under the new Education Support Grant arrangements (introduced by the 1984 Education (Grants and Awards) Act), local authority expenditure of £13m in 1985-86 to enable colleges to provide vocational students with an education which takes proper account of the industrial and commercial applications of information technology in working practice.

6. Right across further and higher education, the Government is taking steps to promote awareness of the need for continuous professional updating and to improve the opportunities available for individuals and their employers. The Adult Training Awareness Campaign, led by the MSC, involves all the relevant Government Departments. The DES - organised PICKUP programme, discussed more fully in paragraphs 106 and 112 below, is increasing the readiness and capability of educational institutions to provide vocational education for

adults and is making more accessible information needed by both providers and clients.

7. The Government has, therefore, already done much to increase provision in science and technology (and particularly in those areas relevant to the new technologies) in higher and further education. In doing so, it has given full weight to advice on actual and potential areas of skill shortage, offered by, among others, the IT Skills Shortages Committee (under the Chairmanship of Mr John Butcher MP) and the Engineering Council. More recently it has had the advice of the Information Technology Skills Agency, recently established under the aegis of the CBI. In large measure such advice has also been underwritten by the Select Committee's own conclusions. At the same time the Government, like the Committee, recognises how crucial is the availability of school leavers with academic qualifications enabling them to undertake further and higher education courses in disciplines relevant to new technologies. The Government correspondingly endorses the fourth conclusion of the Committee:

#### Recommendation 4

4. "Initial education should provide boys and girls equally with a broad grounding of relevant knowledge and an understanding of the scientific principles underlying new technologies, coupled with a receptive attitude towards technological progress and its demands."

8. The Government's policies for the schools in England and Wales, which are set out in the White Paper "Better Schools" (Cmd 9469, March 1985), are designed to ensure that all pupils follow a broad and balanced curriculum throughout the years of compulsory education, and to raise standards. It is the Government's objective that all pupils should be properly introduced to science in the primary school, and that all pupils should continue to study a broad science programme until the age of 16. The Government has also stressed the importance and value of practical and technological work for all pupils. Through the pilot projects of the Technical and Vocational Education Initiative (TVEI), broadly based and balanced courses of general, technical and vocational education are being offered to 14-18 year old girls and boys across the ability range. Awareness of new technology is being encouraged through the

Microelectronics Education Programmes and other schemes aimed at building on pupils' natural interest in current technological developments.

9. Recognising the impact of schools examinations, the Government has launched a programme of related changes in the examinations system in England and Wales. Important elements within this are:

- an emphasis within the national criteria for the GCSE on practical skills, reasoning and the application of knowledge in all subjects;
- the publication of national criteria for craft, design and technology courses in the new GCSE examinations;
- the introduction of AS levels which will, among other things, make it easier for those taking A levels in arts subjects to continue the systematic study of mathematics or science or technology.

10. In Scotland, the Government has made it plain that it expects all pupils to study English, mathematics and a science throughout the years of compulsory education. The new Scottish Standard Grade courses for mathematics and physics emphasise practical investigation and problem solving and the new National Certificate modules are intended eventually to introduce all post - Standard-Grade pupils to a number of vocational subjects.

11. By these and other actions in fields relevant to the new technologies, the Government is showing its commitment to improve the supply of suitably qualified manpower and to secure a cultural shift towards an emphasis on science and technology in line with the Committee's advice. But it agrees that there is more to be done both by Government itself and, perhaps more important, by industry and employers. Career choices by young people within the fields of new technologies will depend to a substantial extent on how they see the attractiveness of the opportunities available to them. Intelligent numerate young people and their parents can see many attractive opportunities, not least in the City and accounting. So industry must make a continuing and sustained effort to offer requisite remuneration and career prospects to attract able young people into technological careers, and a commitment to the continued

education and training necessary to keep pace with rapid technological change. Industry needs also to give continuing support for education institutions at all levels, including material support in line with practice in other leading economies, to sustain a joint approach to the education, training and research upon which a thriving economy will increasingly depend.

12. In the paragraphs that follow, the Government offers the following specific responses to detailed recommendations in the Committee's report:

### Recommendations 5 and 7

5. "Specialisation should be deferred as late as possible, to the end of formal education and to the early years of employment."
  7. "For technologists first degrees are too short. The necessary specialisation should take place mainly at postgraduate and post-experience levels. HEIs should move towards this pattern in appropriate subjects."
13. "Better Schools" (Cmnd 9469) makes clear the Government's view that all pupils should continue to study a broad, balanced and relevant curriculum, differentiated to take account of different levels of ability, throughout the period of compulsory education. This means that they should not be able to drop at the age of 14 or 15, elements of the curriculum which form an essential foundation for subsequent learning, training or work. Maintaining a broad curriculum and minimising specialisation has always been a feature of Scottish education. This tradition is being maintained with the implementation of the reforms stemming from the Munn and Dunning Reports. The Government's plans to introduce AS level courses in England and Wales will contribute towards the broadening of the post-16 curriculum as do the National Certificates in Scotland; but some degree of concentration in particular subjects at this stage is inevitable and, in the Government's view, desirable.
14. In higher education, a growing number of students are studying broader combinations of subjects and many institutions have introduced relevant management and technological skills into a range of appropriate courses. The Government agrees that, provided that high standards of teaching and study are maintained within such programmes, broader degree courses in certain disciplines have an important part to play in helping to ensure that graduates have developed the kind of abilities which employers need. This view is reflected in paragraph 6.3 of the Higher Education Green Paper.
15. The Government agrees that, in general, specialisation and, in particular, vocationally orientated training should take place at postgraduate or post-experience level. In large measure this is the case at present, although the Government supports the case for a varying level of vocational content in some



first degree subjects. However, consistent with the view that such specialisation should take place predominantly at postgraduate level, the Government does not believe that the length of first degrees for technologists should generally be extended, though it supports the case for a limited range of courses to be lengthened to facilitate the inclusion of broader based material where to do so will be likely to enhance the potential of students subsequently to enter the employment market.

Recommendation 6

6. "Industry should accept more responsibility for the education and training of its recruits."
16. This recommendation is dealt with at paragraphs 87-89 below, alongside related recommendations.

Recommendations 8, 9 and 10

8. "Educational provision should be more closely related to employment needs. Educational institutions should be given more guidance on the skills likely to be required by industry."
9. "A national body should be vested with the functions of analysing and forecasting the UK's needs for skilled people over the short and long term and of ensuring that those needs are met."
10. "The committee therefore propose the establishment of an Education and Training Board:
  - i. it should be a central Board, drawn from industry, the academic world, and government. The DES, DTI and MSC should nominate members to the Board either jointly or separately.
  - ii. the creation of an entirely new body is undesirable. The Board should be part of SERC with the independent power to report to Parliament.
  - iii. it should commission research on manpower needs on a continuing basis and have power to call for reports from Government Departments.
  - iv. it should be responsible for funding postgraduate taught courses within the dual support system.

- v. it should advise on priorities in undergraduate courses, conversion and post-experience courses, and training and retraining for technicians and craftsmen."

17. In proposing the creation of a national body to analyse skilled manpower needs and to oversee appropriate action to meet them, the Committee has advanced a number of important arguments with which the Government has much sympathy. Specifically it has argued that:

- i. the education service should be more responsive to the needs of the economy and that, for example, changes in the balance of student provision within higher education should be less dependent on demand from students;
- ii. while it must be recognised that industry cannot forecast its highly qualified manpower requirements in terms of numbers or types of skills required with any substantial precision, account should be taken of available evidence on relevant trends both in the short and longer term, and steps should be taken to improve both the supply of information and its processing;
- iii. there is a case for better co-ordination in the provision of postgraduate taught courses - the importance of which is likely to increase in line with experience in competitor economies.

18. A central thrust of the Higher Education Green Paper is a recognition of the need for the higher education system to become more responsive to the needs of the economy and, in particular, to requirements within the economy for highly skilled technological manpower. This statement of policy is already being acted upon by way of a range of related initiatives. The examples at paragraph 4 above demonstrate the Government's determination to put significant additional resources into subject areas of particular relevance to industry. Information Technology is of pervasive importance but other subject areas have not been neglected. For example, in the important field of biotechnology, the Government has supported a number of initiatives. In 1982, the UGC established a programme to create additional posts in biotechnology at twelve universities. And the

SERC Biotechnology Directorate spends £3½m a year on research and postgraduate training in biotechnology. Following a request from the Secretary of State for Education and Science, the NAB recommended an allocation of £280,000 in 1985/6 to three polytechnic centres, which will enable them to increase their output of graduate biotechnologists: Capital resources were also made available to support this programme. These steps by the existing responsible bodies in the field have already led, and will increasingly lead towards significant movement on a wide front in the direction urged by the Committee. The Board proposed by the Committee, which would be advisory at all levels other than postgraduate, would need to operate alongside a number of other existing bodies in the field whose various roles it could not actually supplant. The Government does not believe that the creation of such a Board would achieve more rapid or substantial results and is not in favour of establishing it.

19. It must, moreover, be recognised that the requirements of the employment market differ widely. Estimating future manpower needs within the economy is already being undertaken by a number of agencies, for a range of purposes. The requirements of the employment market differ widely in nature and extent across the country as a whole. Hence many of the Government's initiatives are aimed at meeting skill needs at local level: a local approach can achieve a more rapid and flexible response to immediate needs than central planning which may not be easy to translate into patterns of local provision. In Great Britain as a whole the Education Departments and the MSC are sponsoring local collaborative projects (LCPs), a programme with a strong employer input which aims to help employers work with providers of education and training to define their training needs and explore possible ways to meet them.

20. In the particular matter of awards for postgraduate masters' courses, various bodies are active. The Government has noted and supports the Committee's view that better co-ordination would be likely to secure greater effectiveness. At present the SERC supports some 1,500 studentships and a further 2,500 students are supported in engineering and technology related subjects by a number of other bodies including other research councils, local education authorities, and various Government departments. The Government particularly recognises the benefits to be gained from effective co-ordination over the subject areas for which support should be given. It is therefore

currently considering with other bodies involved how best this might be secured through appropriate co-ordinating machinery. By this means, duplication of, or gaps in, provision might be avoided and examination of the appropriateness of the scale and content of current courses - as well as of the actual framework of the masters degree - might be set in train.

21. There is, nevertheless, a case to be considered for commissioning a single agency to take responsibility for forecasting manpower needs. This task would need to be undertaken against the background, accepted by the Committee as well as by the Government, that future needs are likely to be predicted with only modest accuracy and reliability. As the Committee's report confirms, manpower planning for higher education in the past has proved a hazardous process with numerous failures and few successes. In part this reflects the intrinsic uncertainty of making predictions about conditions determined by changing market and economic circumstances. Moreover, at a time of rapid technological change and restructuring, the likelihood of satisfactory evidence being available upon which detailed forward planning can reliably take place is all the more improbable. Evidence presented both to the Committee and to the Information Technology Skills Shortages Committee suggests that many companies in this field find it difficult to plan their highly skilled manpower requirements more than a year ahead with any degree of reliability and that all forward estimates are necessarily subject to considerable market uncertainty.

22. Outside central Government, responsible bodies such as the Engineering Council are engaged in advising on manpower demand matters and the remit of the newly created Information Technology Skills Agency includes a specific commitment to gauge relevant future manpower needs at all levels within the industries in its scope. While, therefore, the Government can concur in the Committee's view that approximate estimates about future needs are better than none, and that account should be taken of all useful evidence, it is not convinced that this new body created specifically for the purpose would be able to add significantly to the evidence already available. The Government, nevertheless, acknowledges that advice and information from national organisations may constitute only a part of that available to assist the education system in its future planning to meet economic needs. Other sources will include survey-based research commissioned either by Government or by

outside bodies; as well as expressions of experience and opinion from responsible bodies within the field. The Government is currently considering what improvements may be required in its existing machinery for the assimilation, evaluation and dissemination of such evidence. But, at a time when the Information Technology Skills Agency is about to commence undertaking its important and related remit, the Government believes it would be premature to establish a further national body with wider and inevitably more diffuse aims.

23. Accordingly, the Government concludes that, even for the purpose of manpower forecasting, it would be unproductive to create a new distinct agency.

#### FUNDING

##### Recommendation 11

11. "Education for new technologies is particularly dependent on a healthy research base in HEIs. The erosion of government funding for technological research should cease. University research should be strengthened, and new opportunities for research in polytechnics created."

24. The Government has protected Research Council funding: in cost (or constant price) terms (using the GDP deflator) the funding of the Research Councils has been roughly level since 1976/77.

25. In January of this year the Secretary of State for Education and Science announced that the Government had decided to increase the resources available to the DES Science Vote by £11 million (net) in 1985/86 and by £8m (net) in 1986/87 and 1987/88. This sum will help the Research Councils to increase their funding of university research grants. Part of the new money has been earmarked to fund restructuring programmes which involve early retirement and relocation costs.

26. Restructuring will release resources from lower priority areas to enable new higher priority areas to be developed.

27. The Government's policy is to encourage greater selectivity in the allocation of resources for research. This is necessary to ensure that money is not used to support lines of research that have proven unfruitful or where the quality of work has fallen off. As part of the move towards greater selectivity in the funding of research, additional provision of £4m in 1985-86 and £7m in each of the following two years has been made available to the UGC for the enhancement of equipment in a few carefully-selected centres of high-quality research. In the public sector, £2.5m has been allocated from the funds available for local authority higher education in 1985-86 for the selective support of research in science and technology. The Government has also legislated [see paragraph 47] to remove barriers to the commercial funding of applied research in local authority colleges.

#### Recommendation 12

12. "Selective grants should be introduced to encourage young PhDs to remain in scientific and engineering research at University. At least 50 per cent of the awards should be in areas identified as of priority by the Education and Training Board. All such awards should include a substantial element of industrial funding."

28. The suggestion that selective grants should be introduced to encourage young PhDs to remain in scientific and engineering research is being considered. Selective research grants are of course already available to post-doctoral and other scientists and engineers from the Research Councils (mainly the Science and Engineering Research Council).

29. Another way of encouraging young PhDs to remain in research is to offer permanent university posts. The Government's "New Blood" and Information Technology schemes (see paragraph 4 above) provide additional resources for this purpose.

Recommendations 13, 15, 16 and 21

13. "There should be a more selective approach to funding higher education, coupled with priority for schemes particularly at postgraduate and post-experience levels which involve funding through or by industry."
  15. "UGC and NAB should be more selective in funding undergraduate courses taking into account the long term priorities of the Education and Training Board. This should be brought about through some earmarking of funds."
  16. "There should be a shift in higher education places from the arts to the sciences and engineering greater than that now proposed by the Government. Because of the higher cost of science places, extra resources from the Government will be required."
  21. "Current levels of funding technological education and training are insufficient, if either the Government or industry thinks that the nation's economic problems can be solved without spending money they are deluding themselves - in addition to the transfer of funds, increased investment is essential".
30. Like the Select Committee the Government believes that there should be a continuing shift in higher education towards science and technology subjects. As the Higher Education Green Paper states:

"In higher education the Government believes it right to maintain a distinct emphasis on technological and directly vocational courses at all levels, leading to a switch in output in favour of graduates and diplomates with corresponding qualifications. It will pursue this policy in the light of developments in the schools, and in consultation with the advisory bodies, and will consider what action should be taken if significant likely shortages in particular areas are identified" (2.9)

The Government has accepted that increased investment may be needed to help achieve this.



31. As the Select Committee acknowledge substantial measures have already been taken by the Government to bring about such a shift. Examples involving significant increases in resources are the £38m Information Technology in Higher Education Initiative, the £14m programme to expand output of engineers and technologists from Scottish Central Institutions and the £43m Engineering and Technology programme (described in paragraph 4 above).

32. Beyond these measures, in response to a UGC request, universities have indicated that, at their new levels of staffing and funding, they will seek to increase student intakes by some 3000 in both 1984-85 and 1985-86 mainly in scientific and vocational subjects.

33. In the public sector of higher education, the NAB, responding to guidance from the Secretary of State, planned for a significant shift of student numbers towards technological and vocational subjects in its first major planning exercise in respect of the 1984-85 academic year. This shift implied for first year intakes in 1984-85 that such subjects should account for 50% of all intakes compared with 45% in 1982-83. Such a change was considered to represent the maximum feasible from the system and has been broadly rolled forward for intakes in 1985-86. The Wales Advisory Body (WAB) has made similar additional provision for technological and vocational subjects in its planning exercise for 1985/86.

34. The projected effect of these measures (excluding the Engineering and Technology Programme) on first degree output from universities and the public sector will be to increase output of engineering and technology students from 15,300 in 1984-85 to 17,100 in 1989-90 - an increase of 12%. The Engineering and Technology Programme will add significantly to this output.

35. The Government also strongly supports the view that a selective approach to the allocation of resources is helpful in making the most effective use of the funds available.

36. UGC and NAB already employ a significant degree of selectivity in their allocation of funds to institutions. The additional posts being created in universities by the 'New Blood' and 'Information Technology' programmes (vid. paragraph 4 above) are allocated selectively on the basis of competitive

applications from universities. The Secretary of State for Education and Science, in his letter of 30 January 1985 to the Chairman of the UGC, has welcomed the UGC's proposals, published in September 1984 in their strategy advice on the future development of higher education, for greater selectivity in the funding of research through recurrent grant, which is likely to involve the exposition and discussion of university research plans. To quote from the Higher Education Green Paper:

"Effectiveness in research requires concentration in strong centres. At present our resources are too thinly spread, especially in disciplines where effective research entails high equipment costs. An important thrust of research policy over the next few years will be towards selectivity and concentration" (paragraph 1.11).

37. NAB advises on the allocation of funds to public sector higher education institutions. In general, resources are allocated on the basis of target student numbers ie student numbers planned in each of a number of subject areas for the forthcoming academic year. The shift in first year intakes towards technological and vocational provision and away from humanities for its first major planning exercise relating to the 1984-85 academic year followed the Secretary of State's guidance to NAB that he wished to see "priority .... accorded to scientific and technological provision of value to industry, commerce and the professions ..." . This implied a significant growth in subject areas such as engineering, science and mathematics and computing in institutions where expansion was most appropriate. The pattern of student intakes planned for 1984-85 has been rolled forward for 1985-86 in accordance with NAB's three year planning cycle. But the NAB's next major planning exercise in 1987-88 will provide an opportunity to assess the effectiveness of the earlier exercise and to examine priorities both in relation to individual institutions and overall.

38. Thus the existing planning framework for public sector higher education does provide a means of allocating funds with a degree of selectivity on an indicative basis, but it stops short of earmarking since the local authorities themselves have discretion over the expenditure from the advanced further education (AFE) pool.

39. The WAB has adopted the same kind of approach in planning for local authority higher education in Wales. However the WAB's first planning exercise relates to the academic year 1985/86, therefore student target numbers, with a bias towards students on technological and vocational courses, will apply for the first time to the Autumn 1985 student intake in Wales.

40. As far as research is concerned, the Research Councils' approach to the funding of higher education is already highly selective: the quality of research undertaken in their own Institutes is subject to rigorous peer review; only the very best applications for grants from researchers in the university world are accepted; and the Councils additionally identify areas of funding in the light of their assessment of importance and potential application.

41. However, it is the Government's view that while some specific targeting of resources for very particular purposes as in the IT in HE Initiative and the Engineering and Technology Programme is justified, the earmarking of funds to whole disciplines would deprive institutions of the flexibility they need to decide for themselves the appropriate distribution of the resources available to them. Earmarking could lead to a rigidity within the system which would make it increasingly difficult for institutions to respond to changing priorities. The Government believes that without imposing the rigidity associated with earmarking, broadly the same effect can be achieved, and within an acceptable timescale, by giving appropriate advice to institutions.

#### Recommendation 14

14. "The Education and Training Board should fund postgraduate taught courses within the dual support system by the following methods:

i. a fund should be set up and administered by the Board, which should dispense grants on the basis of tenders from HEIs and in accordance with its identification of long-term priorities.

(6.25)

ii. a fund should be set up to support courses which have industrial sponsors."

42. The Government agrees with the Select Committee that courses to which industry has demonstrated its support should receive priority in the allocation of central support. The Government has applied this principle in the procedures for the selection of courses for participation in the Engineering and Technology programme. Under these, only those courses regarded as having a high degree of industrial relevance were selected, and participation in the second phase of the programme is being made conditional on the institutions concerned succeeding in obtaining a significant degree of material support from industry.

Recommendations 17 and 19

17. "A system of tax credits should be established to encourage industrial investment in education and research institutions."

19. "The equipment needs of HEIs should be assisted by encouraging the donation of equipment from industry, particularly through tax credits, and through collaboration between HEIs."

43. The Government understands that the Committee has in mind two provisions of the United States Internal Revenue Code. The Research and Experimentation Credit is a 25 per cent non-refundable tax credit for the portion of a taxpayer's qualifying research expenses which is equal to the lesser of:

a. the excess of such expenses in the current year over the average amount of such expenses in the preceding 3 years; and

b. 50 per cent of qualifying research expenses in the current year.

For donations of equipment, relief is available in the form of an enhanced deduction in computing profits, equal to the production cost plus one-half of the profit which could have been made had the item been sold at market price.

44. These forms of giving relief from taxation are alien to the UK tax system and could not easily be incorporated in its structure. Moreover, the Government is generally opposed to the proliferation of special tax reliefs which benefit only limited groups of taxpayers and erode the tax base. The Government's

policy is to broaden the tax base and reduce tax rates so leaving businesses free to operate on commercial grounds without having decisions distorted by the impact of tax concessions.

45. The UK tax system already provides a number of incentives for businesses to donate money and equipment to higher education and research institutions. The basic rule on business expenditure, that only revenue expenses incurred wholly and exclusively for the purposes of the trade are deductible, is modified by Section 133, Income and Corporation Taxes Act 1970, which allows a deduction for payments to approved HEIs for technical education directly connected with the donor's class of trade. In practice the Inland Revenue regards this as covering donations both of money and equipment. In addition tax relief is available through the covenant system for donations by businesses to universities, which are charitable bodies and other institutions with charitable status. This system encourages sustained giving over a period of at least four years. Both these provisions allow 100 per cent relief on the cost to the business of making the donation. There are also special arrangements for relief for business expenditure on scientific research. Provided the research is related to the trade carried on, expenditure both on revenue account - salaries, wages etc - and on capital account - buildings and equipment - qualify for immediate relief on the whole of the cost actually incurred. This relief extends to cover sums paid to approved scientific research associations, universities or similar institutions for research related to the class of trade carried on. The Government sees no case for going further.

46. The Government believes that closer liaison between the business sector and the HEIs would be beneficial not only to the parties themselves but also to the economy as a whole. Consideration is being given to means of encouraging increased business sponsorship of higher education and greater take-up of existing tax reliefs.

### Recommendations 18 and 20

18. "In providing services to industry, whether of teaching, research or consultancy, HEIs should aim to ally with, and to develop their excellence in, particular sectors of industry."

20. "HEIs should establish centres for multidisciplinary research and teaching in engineering, in collaboration with industry and assisted on a pump-priming basis by Government."

47. The Government has warmly welcomed the Select Committee's support for further moves on the part of many HEIs to ally themselves with particular industrial sectors, and to diversify their sources of income. The Government has made well known its desire to encourage HEIs to increase their earnings from private sources and thereby become less reliant on the grant from central Government. The UGC has said in a letter to the universities in 1982 that income earned from industry will not lead to any consequent reduction in recurrent grants. To encourage universities' efforts in this direction the Government has confirmed, in the Higher Education Green Paper, that increases in income from outside sources will not lead to reductions in Government funding (Cmnd 9524, paragraph 9.5). The Government has also introduced legislation to remove the technical barriers to polytechnics and other local authority colleges earning income from business and technology transfer activities and the Further Education Act 1985 received the Royal Assent on 16 July. Institutions themselves have been expanding activities in this area by establishing industrial liaison units, science parks and limited companies, with a view to promoting technology transfer and marketing their services. Some institutions have already demonstrated that earnings from industry can be significant. Overall, however, the Government believes significant scope exists for further development. The report produced by the Advisory Council for Applied Research and Development (ACARD), in collaboration with the Advisory Board for the Research Councils (ABRC), entitled 'Improving Research Links between Higher Education and Industry' (HMSO, June 1983) and to which the Select Committee refers, has been helpful in this context. So too has been the UGC's advice on alternative sources of funding contained in its strategy advice\* and that from

---

\* "A Strategy for Higher Education into the 1990's (HMSO, 1984).

the Committee of Vice Chancellors and Principals (CVCP) Working Party set up to consider alternative funding.

48. The Government has made clear in a number of specific ways that it wishes to see links between HEIs and industry promoted and strengthened. The Government and other bodies have taken action in areas highlighted in the ACARD/ABRC Report mentioned above, including moves towards increased selectivity in research funding (see paragraphs 27 and 36), a research policy for public sector higher education (see paragraph 27), consideration of portable pensions and the establishment of a national data base of academic expertise and facilities. The British Technology Group (BTG) has announced that it will provide on commercial terms for up to half the costs of projects in institutions designed to facilitate technology transfer.

49. However, the Government strongly believes that assistance by industry to higher education is most effective when this is part of a two-way process. The Government has therefore supported a number of collaborative initiatives which aim to create closer relationships between education and industry. Many of these initiatives are grant-aided by the Science and Engineering Research Council (SERC) whose funds come from the tax-payer. The Teaching Company Scheme, of which there are now some 160 programmes in universities and polytechnics, exemplifies the beneficial role such cooperation can secure. Many close links are also developing through the Science Park ventures and in the DES PICKUP (Professional, Industrial and Commercial Updating) Programme. Such developments are encouraging. Industry must be aware that it is very much in its own interest that a fuller partnership be developed with the higher education system. Through such a partnership industry can make known its requirements and develop jointly the research activity which will stimulate innovation. Mention has already been made (at paragraph 42 above) of the important role of industrial assistance in the Engineering and Technology programme.

## THE SCHOOL CURRICULUM

### Recommendation 22

22. "The curriculum should include some lessons in basic economics and the significance of technological and industrial developments. Industrial problems should be integrated into the teaching of science and technology. It is the responsibility of industry to take the initiative in increasing liaison between schools and industry, which should be fostered at local and regional levels through the network of Science and Technology Regional Organisations."
50. "Better Schools" (Cmnd 9469, March 1985) sets out the Government's view that some awareness of economic matters, notably the operation of market forces, the factors governing the creation of private and public wealth, and taxation, is a prerequisite for citizenship and employment; and that all pupils should be introduced to new technology and its significance for people's lives and work.
- 50A. The Government has published "Science 5-16: A Statement of Policy" (HMSO, March 1985) which sets out a policy framework for science education in the compulsory years in the schools of England and Wales. It draws attention to the need to incorporate contemporary examples of technological applications in science teaching and stresses the importance of making science education in schools relevant to adult and working lives in the world of the future.
51. The Government shares the Committee's view that it is the responsibility of employers, not least at the local level, to play their full part in partnership with local authorities and schools in improving contacts between schools and the world of work. In 1983 the Government urged those local authorities who had not already done so to allocate to an officer full-time responsibility for the promotion of school-industry links. Such initiatives should be fostered through all the available channels, including the network of Science and Technology Regional Organisations (SATROs), and in Scotland the Scottish Education Industry Committee (SEIC), set up by the Consultative Committee on the Curriculum in 1983 to act as a source of advice on curricular matters in which there is a particular industrial interest. The experience being gained through the TVEI and other Government funded programmes is of direct relevance. The Government



hopes that employers will take advantage of the opportunity presented by the advent of Industry Year 1986 to build on existing successful practice in many parts of the country; and that employers will also involve themselves more extensively in the work of school governing bodies and of examination boards.

Recommendation 23 and 24

23. "The efforts of the Equal Opportunities Commission, the Engineering Council and others to encourage girls to take up science and technology are supported. The emphasis of initiatives should be at primary school and in the early years of secondary school."
24. "All local education authorities should draw up programmes to develop the interest of girls in science and technology, making use of positive action in favour of girls."

52. The Government shares the Committee's concern that more girls should be encouraged to pursue studies in science and technology. It recognises that the science education of many girls is at present inadequate. "Science 5-16: A Statement of Policy" defines the aim that science education in every school should give genuinely equal curricular opportunities to boys and girls and should in particular actively seek ways of exciting the interest of girls in those aspects of science which some girls at present find unappealing or intimidating. It calls for action to ensure that all girls as well as all boys are able to pursue their studies of both the biological and the physical sciences up to the age of 16; and says that particular attention should be given to the expectations and attitudes of girls when reaching decisions on style and methods of teaching, on curriculum content and on timetabling arrangements.

53. A number of current initiatives are helping to foster the interest of girls in science and technology. The programme of activities organised for Women Into Science and Engineering (WISE) Year has done much to make girls more aware of the opportunities open to them; the Technical and Vocational Education Initiative and the Microelectronics Education Programme (and the Scottish Microelectronic Development Programme) have an important contribution to make; the work of the Secondary Science Curriculum Review has since its inception

given priority to the development of approaches which will meet the needs of girls as well as boys and in Scotland a jointly funded project aims to develop an awareness in pupils in the 9-14 age range of the developing concept of equal opportunities for the sexes and to assist teachers in considering their attitudes to this in relation to the teaching process and generally to the school and the classroom. The rapid development of science in primary schools, to be supported by Education Support Grants in over 50 local education authorities in England and Wales from September 1985, will also have an impact on attitudes in the longer term.

Recommendation 25 and 27

25. "The unified examination at 16-plus is welcomed. At the same time there should be a rationalisation of the plethora of different syllabuses."

27. "AS levels should be introduced as soon as possible."

54. The Committee's support for the introduction in England and Wales of the new single system of examinations at 16+, the General Certificate of Secondary Education (GCSE), and for AS levels, is welcome. One of the objectives in introducing the GCSE is to reduce the number of competing syllabuses in particular subjects. This will be achieved by having five Examining Groups, in place of twenty examination boards, offering the new examinations. In addition, all syllabuses will need to comply with national criteria, approved by the Secretaries of State for Education and Science and for Wales. This will help further to reduce unnecessary proliferation of syllabuses and subject titles, although a balance has to be drawn between simplifying and rationalising syllabus options and allowing pupils as much choice as possible so as to enable them to derive maximum benefit from subjects which they will like and in which they will do well.

55. 'Better Schools' announced the Government's decision that AS level examinations should be introduced with effect from the Summer of 1989. The first courses will begin, accordingly, in September 1987. This is a year later than was originally planned; but the postponement will give the Examining Boards more time to prepare first class syllabuses and schools and colleges more time

to arrange courses. The postponement will also separate the introduction of AS levels by one year from the introduction of the GCSE.

#### Recommendation 26

26. "Some instruction in mathematics, the sciences and the humanities should be compulsory for all children in the UK up to the age of 16."

56. "Better Schools" defines the elements of the school curriculum which the Government believes to be essential for all pupils if breadth and balance in the curriculum of both primary and secondary schools are to be achieved; they include mathematics, a broad science programme, and elements drawn from the humanities. "Better Schools" also calls for pupils to be introduced to a wide range of areas of experience, knowledge and skill so as to foster understanding and the development of positive personal qualities and attitudes. It is for the schools themselves, operating within the framework of national and local policies for the curriculum, to reach their own decisions on the details of the programme offered to individual pupils.

57. The Government has said that all pupils in Scotland should study English, mathematics and a science. It has also strongly recommended that the curriculum for all pupils should cover the 8 modes of study recommended by the Munn Committee, which should ensure that all pupils cover aspects of the humanities.

#### Recommendation 28

28. "Efforts to upgrade the teaching of craft, design and technology are supported. Where possible design elements should be integrated in the teaching of mathematics and physics."

58. The Government is anxious to foster the teaching of craft, design and technology (CDT); and much work is already taking place to this end. The Technical and Vocational Education Initiative is supporting developments in the practical and technological aspects of the curriculum in schools in the majority of LEAs. TVEI schemes aim to have a wide impact throughout the whole of the

curriculum in the participating schools and colleges and the collaboration of cross-curricular groups is leading to the spread of design elements to other relevant subjects. Training in CDT is also one of the areas that will qualify for support under the two year, £25 million TVEI - related In-Service Teacher Training Scheme which is being administered by the MSC on an interim basis for the two years 1985-6 and 1986-7 (see paragraph 80). The In-service Teacher Training Grants Scheme administered by DES and the Welsh Office will be extended in 1985-86 to include training to equip existing teachers of CDT to teach design-based technology courses (see also paragraph 8). The Government is contributing to the start up expenses for British School Technology to promote the teaching of technology in schools. The Government is also providing special support for mature entrants to CDT teaching through the CDT Teacher Training Awards Scheme. The Government will continue to give attention to the needs of the schools in this area.

59. Design elements, or indeed any other aspects of current relevance can be incorporated within the new Scottish Standard Grade courses for mathematics and physics. The new Standard Grade courses in Craft and Design and Technological Studies will incorporate significantly updated approaches to teaching in these subject areas.

#### Recommendation 29

29. "New schemes to develop the use of computers across the curriculum are necessary, with special attention to the retraining of teachers and introduction of educational software. Consideration should be given to merging the Micros and Schools schemes and the MEP and establishing support on a permanent footing under the DES and Scottish Education Department."

60. The Government programmes concerned with the use of microcomputers and ancillary equipment in schools were designed primarily to stimulate local education authorities and schools to explore the uses of the new technology across the curriculum. They are now doing this increasingly and the work includes the training of teachers and the introduction of software into schools. The Government is currently considering whether it should take further initiatives in this area in support of these activities. The Government accepts

that there would be merit in planning future schemes under the control of the Education Departments. There may be times, however, when it would be appropriate for other Departments to take the lead. In such circumstances there would be close cooperation between the DES and the Department concerned.

61. As the Committee noted, the Scottish Microelectronics Development Programme is already on a permanent footing as the executive arm of the national advisory body of the Microelectronics in Education Committee, which has now produced a National Plan for computers in Scottish Education.

Recommendation 30 and 59

30. "Computer centres should be established outside the classroom, either in colleges and HEIs, or in association with ITeCs, for use by school children and adults."

59. "ITeCs should be developed as local centres of training and retraining of adults in IT skills."

62. The Information Technology Centre (ITeC) Programme which currently comprises 164 fully operational centres located throughout the country is already involved in addition to its mainstream YTS work with training both school children via links with the Technical and Vocational Education Initiative, and adults through an open access policy. This latter involves the use of ITeC facilities and equipment mainly in the evenings and at weekends. A number of centres are already delivering other MSC adult training programmes, eg. Job Training Scheme and Access to Information Technology (AIT).

63. The scale and volume of training carried out by ITeCs under open access is likely to increase markedly in the next year following changes to some of the rules controlling the use of revenue earned from such activities. The overall impact is likely to be further increased when all 175 ITeCs which have been allocated become operational.

64. MSC is also equipping, in collaboration with DTI, an increasing number of the 350 YTS Training Workshops with IT/computer equipment and through a similar policy of open access it is hoped that they too will make a valuable contribution to increasing IT awareness and training.

#### Recommendation 31

31. "The Engineering Council should use its powers of accreditation to further multidisciplinary development in the undergraduate syllabus. Courses structured around core modules should be more extensively adopted by universities."

65. The Government agrees that the Engineering Council's powers of accreditation are a potent force to enable it to influence the content of Engineering courses, and awaits with interest its response to this recommendation.

#### Recommendation 32

32. "HEIs should consider setting up committees to facilitate liaison with industry and involving industrialists in some academic decisions."

66. Almost all higher education institutions have staff whose function is to encourage and promote liaison with companies. These staff service bureaux and units which may serve particular academic departments or a whole institution.

67. Industrialists are frequently represented on polytechnic governing bodies and may be appointed to academic positions. Liaison between HEIs and industry may also be effected through a limited company operating in a fully commercial profit-making environment.

68. Other links may take the form of collaboration over sandwich or other course provision, collaborative research or consultancy work undertaken for local industry. The CVCP have set up an industrial advisory committee under the chairmanship of Lord Flowers to examine ways of developing links between universities and industry. Topics to be considered include the interchange of staff between universities and industry including joint appointments, secondments and consultancies.

## TEACHERS

### Recommendation 33

33. "To improve the supply and quality of teachers and lecturers, differential payments should be introduced for teachers in shortage subjects, particularly mathematics and the natural sciences, using the discretionary allocation of points on the Burnham scale and power to pay differential salaries should be introduced for lecturers in important technological subjects. In HEIs consideration should be given to allowing teachers involved in industrially-related courses or research to earn an additional salary direct from course or research grant income."

69. The Government shares the Committee's concern to see an improvement in the supply and quality of teachers in shortage subjects, particularly mathematics, physics and craft, design and technology; and accepts the tenor of advice on this problem recently submitted by the Advisory Committee for the Supply and Education of Teachers namely that the salaries, conditions of service and the perceived status of teachers need to be sufficiently attractive when compared with those applying to graduates in the key disciplines employed in other sectors. The Government has stated that it looks towards an agreement on teachers' pay which would require employers to promote more teachers than under the existing system to the higher salary scales, exercising their discretion in doing so in the light of the quality of teachers' work and the demand for their skills and qualifications elsewhere. Such an agreement would significantly increase the discretion available to employers to pay higher salaries to teachers in shortage subjects. The Government will also be taking other complementary action to encourage suitable applications for planned teacher training courses in the subjects concerned.

70. The Higher Education Green Paper recognises that the pay arrangements there, too, should perhaps reflect to a greater extent than they do at present the differential supply of and demand for academic expertise. In the universities these matters are for discussion between the CVCP and the AUT. In the maintained sector, the Burnham Further Education Committee agreed last year

on the need for a fundamental review of the current pay structure and related conditions of service applying in local authority further education.

71. In higher education it is already possible for teachers to supplement their academic salaries and this at present occurs to a greater or lesser extent, depending in part on the industrial relevance of the area in which teachers work.

#### Recommendation 34

34. "All secondary school teachers in the UK should be graduates or equivalent in the subject they teach."

72. The Committee will, of course, be aware that in Scotland it has for a number of years been the case that secondary school teachers should be graduates or equivalent in the subject they teach.

73. In England and Wales entrants to the teaching profession are now normally graduates, though it will inevitably be many years before this change extends to the teaching force as a whole. The majority of intending secondary teachers are trained through a one-year Postgraduate Certificate in Education (PGCE) course, following completion of a first degree course. Initial teacher training institutions are required to satisfy themselves that entrants to such courses hold degrees which are appropriately related to the work of schools. In certain subjects, mainly those in which there is not a ready supply of graduates with suitable and relevant degrees as a basis for PGCE training, undergraduate courses are available leading to either the Bachelor of Education (BEd) degree or a BA or BSc degree with a concurrent certificate in education. The exceptions to these two routes are a small number of one-year non-graduate Certificate in Education courses in CDT. These are the last remaining courses which entitle non-graduates to qualified teacher status. They are justified by current shortages of CDT teachers: the need for them is to be kept under review.

74. Those who successfully complete courses of initial teacher training in England and Wales are formally recognised by the Secretary of State as having



acquired qualified teacher status. The recognition letters specifically draw attention, in the case of secondary trained teachers, to the subjects for which the course was intended. This information helps employers and schools in recruitment and deployment decisions, facilitating an improved match between teachers' qualifications and the teaching programme assigned to them in schools, though teachers are not formally limited to teaching the subjects (or the age range) for which their initial training was intended.

#### Recommendation 35

35. "All initial teacher training should include some structured introduction to industry and the economic importance of wealth creation. Lecturers in further and higher education should be encouraged to broaden their experience of and contact with industry."

75. The criteria for the approval of courses of initial teacher training issued in April 1984 require that students should have an understanding of the relationship between the adult world and what is taught in schools, and in particular of the ways in which pupils can be helped to understand the values of a free society and its economic and other foundations. Institutions adopt a variety of approaches: some include a special taught component within the course, some attempt to enhance economic and industrial awareness across the curriculum, and others place students with firms for periods ranging from a few days to several months.

76. The Department of Education and Science, jointly with the Department of Trade and Industry's Industry/Education Unit, is funding a three year project concerned with the development of curriculum programmes to help student teachers intending to teach in secondary schools to relate their teaching to an understanding of the place of industry and commerce within society; while in Scotland consideration is being given to a teaching qualification for technological studies.

77. The Government fully supports the view that lecturers in further and higher education should be encouraged to broaden their experience of and contact with industry. The secondment of lecturers in maintained institutions to industry, commerce and the public service has been encouraged by arrangements whereby a large part of their salary costs may be met from the in-service training pool, through which some of the costs of in-service training are shared amongst local authorities. The DES will be making available in 1985/86 specific grant amounting to £1.26m through the In-Service Teacher Training Grants Scheme for the technical updating of FE lecturers and also to provide appropriate FE lecturers with PICKUP-related skills. Secondments to industry and commerce will be eligible for grant. Technical updating for further education lecturers is also likely to be given some priority under the new funding arrangements for non-advanced further education announced in the Government's White Paper "Training for Jobs" (Cmd 9135, January 1984).

Recommendation 36

36. "Initial training for all primary school teachers should include an element of mathematics and basic science."

78. The criteria for the approval of initial teacher training courses in England and Wales require that training courses for intending primary teachers should not only give attention to the methodology appropriate to the particular subject or area of the curriculum in which the student expects to make a special contribution but should also devote a minimum of 100 hours to the study of the teaching of mathematics and the understanding of its significance across the curriculum. A similar requirement applies to the study of the teaching of language. The criteria also require that all relevant areas of the curriculum should be included in the student's study and teaching practice, in order to prepare intending primary teachers for their wider role of class teaching. Thus all intending primary teachers in England and Wales will be expected in future to devote at least 100 hours to the study of teaching mathematics and some time too to teaching science. In addition, a proportion of new primary teachers will have been trained with special emphasis on mathematics and basic science, so that they may provide leadership in the teaching of those subjects in primary schools. In Scotland, the new 4 year BEd course, which commenced in October 1984, requires instruction in mathematics and science, as proposed by the Sub-Committee.

Recommendation 37

37. "The DES and local education authorities should take all steps possible to raise the level of in-service training of teachers."

79. The available evidence suggests that the amount of in-service training for school teachers has increased significantly in recent years. "Better Schools" sets out the Government's view that extensive in-service training will be needed to equip teachers to respond to the increasing demands made on them; that resources available for in-service training are not always being used to the best advantage; that a radical change is required in the funding and organisation of in-service training; and that the most effective way of achieving this would be through the introduction of a new specific grant to support local authority expenditure on most aspects of in-service training.

80. Legislation is required in order to extend the Secretary of State's existing powers to grant-aid in-service training and the earliest that a new system of funding could be introduced is April 1987. As an interim measure, the Government has invited the Manpower Services Commission to administer an in-service teacher training scheme to promote developments across the curriculum of the kind related particularly to the Technical and Vocational Education Initiative. Under this new scheme it is for local education authorities to assess the training needs of their teachers in the relevant curricular areas, and to make proposals for additional training required. The MSC administered scheme will provide an additional £25m for in-service training over two financial years.

81. In addition, the In-service Teacher Training Grants Scheme, administered by the Department of Education and Science and the Welsh Office, which provides financial assistance to local education authorities towards the cost of releasing teachers to undertake in-service training in designated national priority areas, is being extended in 1985-86 to a number of new areas. These include the training of school teachers in teaching craft, design and technology and, for further education teachers, professional, industrial and commercial updating as a preparation for adult vocational education and training.

82. In Scotland a specific grants scheme has been introduced although on a fairly modest scale (about £250,000 per annum), and MSC funds will be available in 1985-86 and 1986-87 under the Scheme described in paragraph 80 above. In the longer term the Scottish Education Department (SED) will be reviewing policies and the existing machinery so that in-service training may make a fuller contribution.

### Recommendation 38

38. "Industrial companies should increase their efforts to interest local teachers and headteachers in the company's business. They should consider putting on summer schools for teachers, and paying them their expenses."

83. The Government agrees that industrial and commercial concerns have an important role to play in promoting and fostering links with local schools and takes the view that much would be gained if a wider range of such concerns were to offer facilities to enable teachers to learn more about the world of work at first hand.

84. A number of approaches to such teacher secondment have borne fruit in recent years. "Summer Schools" and other courses mounted by, or in co-operation with, industrial and commercial concerns can make an important contribution. The financial arrangement made for such provision is a matter for the firm or firms concerned and the employing local education authority.

85. Experience suggests that the greatest benefit is obtained where industrial and commercial involvement is not limited to the provision of particular training opportunities or experiences - excellent though these might be - but extended to close liaison with schools all the year round. The effectiveness of training for teachers, including that provided by schemes of secondment, depends in particular on a close match between the training needs of the individual teacher and the training experience provided. This further underlines the need for close co-operation between schools, local education authorities and industrial and commercial concerns in the planning of training provision.

86. Close and continuing liaison requires a commitment both from schools and from industry and commerce. For their part, schools are increasingly involving industry and commerce in the planning of courses for pupils - particularly in the area of technology - and there is considerable scope for expansion of work in this area. It is intended that Industry Year 1986 should include a programme to encourage every secondary school and many primary schools to strengthen existing links and to build new links with local industrial and commercial concerns.

#### INDUSTRIAL TRAINING

##### Recommendation 6

6. "Industry should accept more responsibility for the education and training of its recruits".

##### Recommendation 39

39. "Low levels of initial training and especially the inadequacy of continuing training are causes of concern and must be corrected. Correction of skill shortages lies mainly in industry's own hands."

87. The Government recognises that the public educational and training systems have a vital role in meeting the economy's manpower needs and strenuous steps have already been taken by the Government to increase provision in disciplines relevant to the needs of the IT industries.

88. However, the Government agrees wholeheartedly with the Sub-Committee that industry should accept more responsibility both for training its recruits and for retraining and updating its existing workforce. Regarding adult training, the Government believes that the prime responsibility for funding must rest with employers themselves. They are best placed to determine what their skill needs are and how those needs should be met; and they are the ones who should benefit most from improved employee competence and efficiency. However, employers in countries such as Germany, the USA and Japan bear a far greater responsibility for the funding of vocational education and training than in Britain.

89. This approach is now also reflected in training for young people. From April 1986 the Youth Training Scheme will be expanded to provide two years' training for 16 year old school leavers and one year for 17 year olds. Although the Government is prepared to contribute a substantial amount of extra money towards the cost of the expansion, it is looking to employers to pay their fair share as well, since they will benefit from the new scheme.

#### Recommendation 40

40. "A national training levy should be introduced across all sectors of industry and commerce. The rate of the levy should be high enough to be effective, and should be remissible to those companies which engage in, or pay for training. Firms employing less than ten people should be exempt. All in-house and some out-of-house training should count as a credit against the levy; if practicable, training for new technologies should qualify for a weighted credit."

90. The introduction of a national training levy would move against the thrust of Government policy in a number of ways. First, it would mean a more interventionist approach, whereas the Government has encouraged voluntary provision, most notably in replacing 16 out of 23 Industrial Training Boards (ITBs) with voluntary arrangements. Second, this would mean more bureaucracy and less influence for employers over the training available - key considerations in the Government's decision to abolish those ITBs. Third, it would create additional financial burdens for firms, which might lead to a reluctance to employ staff. The Government's policy is spelt out in last year's White Paper 'Training for Jobs' (Cmnd 9135) which emphasises the responsibilities of employers for training and explains that the primary funding of training must also be the responsibility primarily of employers acting individually or collectively, who know what is needed and can ensure it is delivered cost-effectively.

#### Recommendation 41

41. "Work experience and sandwich courses are important. The CBI should investigate the availability of industrial placements for students on vocational courses, especially undergraduate courses in engineering and technology, and take steps to ensure that the number of placements increases."

91. The Government recognises the value which sandwich courses, integrating periods of study and supervised work experience, can provide. It has recently published a report on a programme of research into sandwich education, the RISE programme entitled "An Assessment of the Costs and Benefits of Sandwich Education".

92. For sandwich education to realise its full potential, it is crucial that sufficient numbers of placements suitable to the training needs of students are provided. This is largely a matter for industry. The Government therefore for its part welcomes this recommendation and hopes that the CBI will feel able to respond positively to it.

#### Recommendation 42

42. "In collaboration with both sides of industry and the Education and Training Board the Government should establish a national training policy. As the national training authority, the MSC should implement the policy, employing the existing bodies in the training field as its managing agents."

93. There are many bodies and institutions involved in different ways in the provision of training, including industrial training organisations, local authority colleges, commercial training organisations, employers, and Government departments and agencies. In recognition of the need for a coherent approach in this important area, the Government's 1981 White Paper "A New Training Initiative: A Programme for Action" (Cmnd 8455) identified three national objectives:

- better preparation in schools and colleges for working life and better arrangements for the transition from full-time education to work;
- modernisation of training in occupational skills;
- wider opportunities for adults to acquire and improve their skills.

These established the framework for the future development of training in this country and form the basis of a national training policy.

94. The 1984 White Paper "Training for Jobs" (Cmnd 9135) considered the progress made towards these objectives and assessed what more needs to be done. For adult training, in particular, there is a need to secure and sustain the quantity and quality of skills necessary to meet changing needs and circumstances, and to enable individuals to undertake training, retraining and continuing education which give them confidence, motivation and sense of responsibility as well as skills, knowledge and experience.

Recommendation 43

43. "The MSC should, on the advice of the Education and Training Board, implement programmes of special priority in training and retraining at technician and craft levels."

95. Training and retraining at technician and supervisory levels is already receiving special priority through MSC's Open Tech Programme and other MSC programmes. The former, established in 1982 for an initial period of 5 years with a budget of £45m, aims to extend the use of open learning so as to enable people for whom conventional training is unavailable or unsuitable to prepare for and adapt to technological and other changes in their work. Some 140 projects are being funded on a pump-priming basis to produce and deliver open learning materials and systems. The programme is demonstrating the flexibility and cost effectiveness of open learning, which enables employees to train without the need to attend courses away from their workplaces.



Recommendation 44

44. "Late developers at school should be given greater encouragement to enter industry as technicians and craftsmen. BTEC should take steps to publicise such possibilities among schoolchildren."

96. The Government agrees that all late developers should be given encouragement, and the opportunity to fulfil their potential. Greater effort is required generally to encourage young people to enter industry and/or training as technicians and craftsmen, and the Government is appreciative of the efforts to this end of the Business and Technician Education Council (BTEC) and of the City and Guilds of London Institute (CGLI) in particular.

Recommendation 45

45. "Industry should be encouraged to identify its own skill requirements through the adoption of technical audits. Voluntary audits should be more widely adopted as standard company practice."

97. The Government believes that it is important for companies to identify their current resources and future requirements for skilled manpower. It therefore strongly supports the Committee's recommendation that companies should conduct audits of their technological manpower, as has previously been advocated by the Engineering Council. The Government believes that it would be inappropriate for such audits to be compulsory and endorses the Committee's recommendation that voluntary audits should be more widely adopted as standard company practice.

Recommendation 46

46. "Disclosure of expenditure on training should be included as a discrete element in company accounts."

98. While the Government recognises the importance of industry investing in training to meet its needs for skilled manpower it believes that it would be inappropriate to require expenditure on training to be separately identified in company accounts. The Government is anxious to reduce the administrative and legislative burdens on companies; in line with this policy, their aim has been to keep statutory accounting disclosure requirements to a minimum and give companies as much flexibility as possible to present information in a way best suited to their circumstances. However, companies may provide, on a voluntary basis, information on their expenditure on training, and the Government would encourage them to do so.

Recommendation 47

47. "In its support schemes for technological improvement the DTI should make specific provision for the identification of the need for training and updating. In areas of skill shortage, grants for capital equipment should be conditional on the inclusion of the company's relevant training proposals in its application."

99. The Government agrees that firms receiving support for technological improvement should be able to demonstrate that they have the necessary skills both technical and managerial to complete the project successfully. This is therefore one of the conditions which the DTI requires to be satisfied in the administration of its technological support schemes, and in appropriate cases the provision of financial support may be made conditional on the company taking action to remedy deficiencies which appear to exist in the availability of the necessary skills.

#### Recommendation 48

48. "The Ministry of Defence and other large Government purchasing Departments should devote more effort to monitoring training standards and technological skills among contractors. Consideration should be given to making the award of government contracts subject to stiffer conditions concerning such standards."

100. The Ministry of Defence (MOD) has already considered the question of making the award of defence contracts subject to stiffer training standards, but remains of the view that continuation of monitoring of the training standards and technological skills among its contractors is the most effective contribution to its policy of obtaining best long term value for money in defence procurement.

101. There are numerous avenues through which firms can improve competitiveness, and the Government would not wish to impinge unnecessarily on firms' commercial judgements about which are most appropriate to their particular circumstances. MOD's procurement procedures already include various assessments of our contractors' technical and managerial competence. Such competence is indirectly a measure of the training and education (and other qualities) of the contractors' staff, as is the ability to win contracts in the increasingly competitive environment of defence procurement. In these circumstances, the Government considers it unnecessary to make good education and training a condition of the award of defence contracts, separately from the criteria of technical and managerial competence to which such training is a contributing factor.

#### Recommendation 49

49. "Management education should include greater emphasis on technological skills and awareness. This should be encouraged not only by the Engineering Council but by the DTI and other relevant bodies."

102. The content and balance of management education is primarily a matter for the education institutions and the validating bodies. But the Government shares the Committee's view that management education should include greater emphasis on technological skills and awareness. It will therefore be glad to see influence to this effect brought to bear and would itself encourage development in this direction.

## CONTINUING EDUCATION AND TRAINING

### Recommendation 51

51. "There should be a large-scale increase in provision of continuing education and in employers' updating and retraining programme, which have an importance approaching that of initial education. Individuals will have to recognise the importance of self-improvement in retraining."

### Recommendation 53

53. "Employers should invest more in retraining and updating. Provision should mix on-the-job training in-house with instruction externally to the company."

103. The Government is in full agreement with the Committee's conclusions. That this country lags behind its competitors in investment by employers in the updating and retraining of their workforces is well documented, most recently by the report commissioned by NEDC and MSC, "Competence and Competition" (NEDO 1984). Individuals and the professional institutions which often represent them also need to be more aware that initial education and training can no longer be - even if ever it was - an adequate basis for continuing professional competence. The main responsibilities for ensuring that updating is adequate in quantity and quality and appropriate in emphasis and scope must lie with employers, the professions and the professionally qualified individual.

### Recommendation 57

57. "The Government should relax their insistence that all courses in continuing education should be self-financing, and should support some courses with additional funding on the advice of the Education and Training Board. Short courses aimed at technologists are particularly important."

Recommendation 58

58. "The Committee propose two methods of funding post-experience courses:

- a. Support could be geared to industrial sponsorship of new courses, where industry contributes at least 50 per cent of the cost of development and student support. The Education and Training Board should have responsibility for assessing the level of government funding.
- b. A fund could be set up to help medium and small-size businesses in particular which give paid leave for upgrading and updating courses."

104. Employers are in the best position to know what training they require and the means of delivery which most closely meet their situation. The professions are similarly placed in regard to their professional membership. In particular, the Government believes that professional institutions in general and those concerned with new technologies in particular, should consider whether life-long professional registration should as hitherto be dependent only on initial education and training, rather than subject to regular and appropriate continuing professional updating.

105. The Government does not consider it appropriate to offer a substantial subsidy of vocational updating and training. Its role is rather to reinforce the workings of the training market by ensuring that adequate information systems about training needs and training courses are available and by facilitating the response of the educational system in helping to provide for those needs. In addition, the MSC provides local training grants to help employers to ensure that the skills of their employees are updated and broadened. One of the aims of this scheme is to help firms - especially small firms - to introduce changes in technology and business methods necessary to their survival and growth.

Recommendation 54

54. "The short-term needs of industry can only be met by increasing further the amount of retraining and conversion courses. In particular there should be more courses designed to meet the needs of women re-entering employment. The Education and Training Board should advise on and monitor the quality and relevance of conversion courses."

Recommendation 52

52. "Advice on the availability of post-experience courses should be part of the responsibility of the Education and Training Board."

106. The Government's programme for professional, industrial and commercial updating (PICKUP) started in 1982, has been directed specifically to these ends. In 1985-86, expenditure of over £5m will be used to encourage the provision of retraining and updating courses by universities, polytechnics and colleges. Innovation in developing new forms of updating, attuned to meeting more effectively the requirements of employers, the professionals and individuals, who are being funded, as is the updating of academics in the new technologies and in the skills required to respond effectively to market forces. Special emphasis is being given to promoting effective and lasting collaboration at local level between employers and the providers in response to updating and retraining needs. A major development funded through the PICKUP programme is a computer-based directory of short updating courses which is to have the Prestel viewdata system as a means of dissemination.

107. In addition, the Government is addressing a number of specific problems within its general role. It makes funds available through the MSC for training programmes aimed at improving the position of women in the labour market. They include expanding opportunities for women to enter occupations in which they have traditionally been under-represented and provide facilities to enable women to return to work after a long absence. The Government is also considering a scheme for training loans aimed at encouraging individuals to invest in their own training and to take an initiative in following courses which they judge will be beneficial for their careers. More general in its scope is the Adult

Training Campaign launched by the Government in November 1984. This has brought together the national organisations closely involved in adult training - the MSC, DE, DES, SED, WOED, DTI, COI, CBI and the TUC.

#### OPEN AND DISTANCE LEARNING

##### Recommendations, 55, 50, 56 and 60

55. "There is great potential in techniques of distance learning: activity in this field should be expanded."
50. "The extension of the use of distance learning for managers should be encouraged. The Government should support the development costs of such courses which include a module on technological development."
56. "The use of tutored video instruction should be widely adopted, notably in disseminating the teaching of centres of excellence through videoed lectures. Local colleges of further education, polytechnics and universities should provide tutors in association with the centres of excellence. There should be an expansion in the networking of computer-based training, at work and in the home. The Open University and Open Tech should take the lead in promoting such techniques."
60. "A grant element should be introduced to the funding of updating courses put on by the Open University."
108. The success of distance learning has been clearly demonstrated, first by the Open University since its inception in 1969, and more recently by the Open Tech. The support of successive Governments has been instrumental in developing and expanding distance learning, particularly as a means of responding to the training and updating needs of employers and the professions. The Open University at degree and post-experience levels and the Open Tech at craft and technician levels are making an increasingly important contribution to continuing education and updating training for the new technologies.



109. Distance learning is particularly advantageous in reaching widely dispersed populations. But, because students have to be more nearly self-sustaining than under conventional teaching methods, distance learning teaching materials need to be of the highest quality and fully developed. For distance learning to be economic, the size of the client groups has to be sufficient to justify the high initial outlay on course development. Distance learning is particularly effective in disseminating new knowledge and in using to best advantage scarce expertise. As such, it is especially relevant to updating engineers, managers and teachers in new technology subjects. It has exceptional advantage for employers, for it enables their workforces to be updated or retrained whilst still available for work.

110. The Government has supported and will continue to support the development of distance learning for applications to which its characteristics are well suited. As the Committee points out, distance learning is well suited to the requirements of management training. An outstanding example is the series of courses for managers - "The Open Business School" - which the Open University has produced in collaboration with the British Institute of Management. Although it remains the policy of the Government, as it has been of its predecessors, that the principal responsibility for training and retraining adults in employment lies with their employers, the Government has made substantial funds available both to the OU and to Open Tech specifically to enable distance learning courses for industry and commerce to be developed. In the case of the Open University, £300,000 was provided in 1984-85 to fund developments in updating. In addition, the Government has undertaken to consider converting to grant the loan of £2.5m made to the Open University by the Department of Education and Science for initial investment in the PICKUP programme and the University has been asked to submit detailed proposals of the effect such a move would have on the programme.

111. The Government believes that the technique developed in the United States of tutored video instruction (TVI) could prove a useful addition to the media available for training purposes. It welcomes the initiatives of Aston University in establishing a purpose-built facility for TVI, of the Open University in collaboration with the BBC, in developing TVI in connection with contract training, and of Heriot-Watt University in making available in this

country video courses prepared in the United States and elsewhere. The Committee's suggestion for the expansion of computer-based training is also welcome. Much, however, remains to be done in evaluating the effectiveness of TVI, CBT and other new systems, such as interactive video, and in using them to best advantage.

#### CREDIT TRANSFER

##### Recommendations, 62, 63 and 61

62. "The Education Counselling and Credit Transfer Information Service (ECCTIS) and the PICKUP-sponsored directory of vocational short courses are welcomed providing that they are sufficiently funded and publicised."
63. "Credit transfers for long courses should be encouraged by the clear stipulation of entrance requirements for new courses and by publicising them through ECCTIS and this should be extended to existing courses as well. Credits should be given for attendance on short courses."
61. "The Open University should broadcast material from courses put on by other HEIs; modules from separate HEIs could be combined to form courses leading to an OU degree."

112. The Government is fully committed to achieving ease of access to and between courses. Facilitating access is a key feature of the New Training Initiatives Objectives 1 and 3. Credit transfer is particularly important in this regard. The Government aims to encourage credit transfer as a means of encouraging individuals to undertake continuing education and to realise their full educational potential. It is important that encouragement be given to those who are seeking a change of direction, either in their initial experience of post-school education or in later life. It is also important that full allowance be granted for individuals' prior learning, including experiential learning; and that the educational system should recognise that qualifications can legitimately be obtained through the cumulation of study carried out over an

extended period of time. The Government's funding of ECCTIS demonstrates the importance which it attaches to promoting these concepts. At present ECCTIS is still under development. The pilot project has as its objectives to establish the requirements for a nation-wide system, to develop the means of meeting them and to report on the potential value of the system to users. Ministers will decide the long-term future of the service, including any further developmental funding, in the light of the findings of the pilot study. Similar considerations apply to the developmental funding provided for the computer-based directory of short courses under the PICKUP programme. The Government accepts the importance of publicising these important developments and of ensuring that they are widely acceptable. That is why both services, though still under development, are being disseminated via the Prestel viewdata service, as well as on microfiche.

113. Complementary to credit transfer is the development of modular courses. The Government has encouraged the CNAAB to consider the development of modular courses leading to a higher degree to be offered by a variety of public sector institutions. This initiative is likely also to involve the Open University and possibly other universities. Substantial progress is being made. The Government is also engaged in discussions with the National Health Service Training Authority with a view to developing modular courses which may lead to enhancement of initial qualifications of the professions supplementary to medicine through credit transfer and the granting of advanced standing.

114. The Open University has extensive credit transfer arrangements with other institutions of higher education, as well as making substantial use of experts from higher education and industry in developing its own distance learning materials.



*cyot*

**CONFIDENTIAL**

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Norman Fowler MP  
Secretary of State for Social Services  
Department of Health and Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON SE1 6BY

*NOV 17*  
*AF 31/7*

**31** July 1985

*Norman*

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

I have seen your Private Secretary's letter to mine of 26 July about the composition of the committee to review the University Grants Committee. Of course I share your concern that the committee should understand and take full account where appropriate of the relationships between the universities and the NHS. But the review will be concerned first with the constitutional position and role of the University Grants Committee in relation to the Government and to the universities, and secondly with questions of the Committee's internal structure and working methods. It will be concerned with the sort of body the UGC ought to be, and the way it should work; it will not be concerned with the level of funding of the universities or the internal workings of the universities themselves. I therefore think it unlikely that considerations of medical education or of the universities/NHS interface will loom large in the committee's work. But even if they were to do so, I would not have thought it right so to set up the committee that there would be a danger of it placing undue reliance on one member for its thinking on this subject. Rather than put onto the committee what, whatever our intentions to the contrary, are likely to be seen as representatives of sectional interests, I should prefer to have a much more generally based committee, and to be sure that they could look to your Department and to the universities and medical schools themselves for explanation and discussion of these issues.

I therefore hope that you will not wish to press for the appointment of a "medical" member of the committee. I know that Douglas Croham himself is anxious that the membership of the committee should not be further expanded, but I am seeing him this week and will happily ensure that your concerns are fully reflected

Continued...

CONFIDENTIAL

both in my discussion with him then, and in the formal, published letter of guidance to the committee about which this Department will shortly be consulting other Departments, including yours.

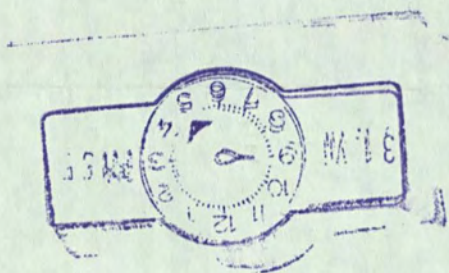
I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Energy, Scotland, Wales, Trade and Industry, and Northern Ireland, to the Chancellor of the Duchy of Lancaster and to the Secretary of the Cabinet.

Yours ever.

Kear

Policy: Education

PE5





file SPW

re Appointments

10 DOWNING STREET

*From the Private Secretary*

29 July 1985

**REVIEW OF THE UNIVERSITY GRANTS COMMITTEE**

The Prime Minister has seen your Secretary of State's letter of 24 July. In the light of this, she is content that Sir Austin Bide should be a member of the Committee.

**(ANDREW TURNBULL)**

Rob Smith, Esq.



*Prime Minister*  
 Content to allow KV to  
 appoint Bide and possibly  
 another industrialist?

*cc*

*AT*  
*25/7*

DEPARTMENT OF EDUCATION AND SCIENCE  
 ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
 TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Margaret Thatcher MP  
 Prime Minister  
 10 Downing Street  
 London SW1

*Yes no*

*24* July 1985

*Dear Margaret,*

**REVIEW OF THE UNIVERSITY GRANTS COMMITTEE**

I refer to your Private Secretary's letter of 22 July. I am grateful for your agreement to go ahead with the task of setting up the Committee. The appointment of Lord Croham and the terms of reference will be announced by Written PQ tomorrow.

You queried the choice of Austin Bide as one of the industrial members. I would be embarrassed to have to omit him because I have already approached him. It is not at all easy to find top industrialists who can spare the time for this sort of enquiry - indeed we were lucky to catch Douglas Croham himself before he had accepted any other commitments following the running down of BNOG.

I first asked Alex Jarratt and Adrian Cadbury - both of whom were on the Jarratt Enquiry - if they could spare the time. Both said no. Robin Ibbs made it clear that the pressures on his time ruled out his personal participation and he asked me to include Ian Beesley to represent his interests which I was of course very ready to do.

I then learned from Austin Bide that he was giving up the Chairmanship of Glaxo and would have some time to spare. As Austin Bide has been extremely helpful to the Department in connection with the Open University, where we have had a series of problems both financial and managerial, I asked him if he could help with the UGC Enquiry. He said yes and I am quite clear that, if I had not spoken to him then, he would have accepted other commitments which would have prevented our getting the benefit of his advice.



I should be perfectly content to add another industrialist to the membership in addition to Austin Bide and Mary Baker, and I shall now consider some names, including Alex Alexander.

Yonson,

Kurt,

Austin Bide showed drive and skill in his Open University activities, delivering some real changes in attitude and behaviour.



NBPM AD 25/7  
SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

R L Smith Esq  
Private Secretary to the  
Secretary of State for Education and Science  
Department of Education and Science  
Elizabeth House  
London  
SE1 7PH

25 July 1985

Dear Rob,

REVIEW OF THE UGC

Thank you for copying to me your letter of 12 July to Andrew\*Turnbull about the terms of reference and chairmanship of the committee which is to undertake the review of the University Grants Committee.

The Secretary of State is content with the proposed terms of reference and with the appointment of Lord Croham as chairman. He also agrees that the committee should be a small one, but considers it important that there should be a Scottish member and that the Scottish Education Department should receive the relevant papers.

The Secretary of State accepts that the committee should be appointed jointly by your Secretary of State and the Secretary of State for Northern Ireland. However, as you will be aware, he is likely to be directly concerned about the future of the UGC if - as may well be the case - the Scottish Tertiary Education Advisory Council makes recommendations relating to the arrangements for the administration and funding of the Scottish universities in its review of strategy for higher education in Scotland.

The Secretary of State therefore considers that it would be appropriate to include in the letter of guidance which it is proposed to send to the committee a request that it should have regard to the STEAC recommendations insofar as they might affect the UGC, and the Scottish universities. He would also like the announcement of the committee's remit to include a reference to the fact that the STEAC dimension is to be drawn to the committee's attention. Forms of words can be settled at official level.

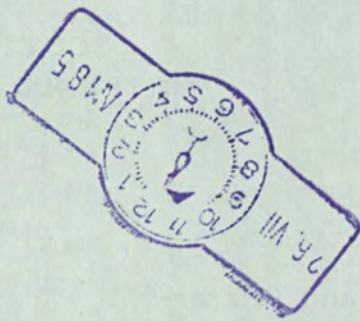
I am copying this letter to Andrew Turnbull (No 10), the Private Secretaries of the Chancellor of the Exchequer; of the Secretaries of State for Energy, Wales, Social Services, Trade and Industry, and Northern Ireland; of the Chancellor of the Duchy of Lancaster; and of the Secretary of the Cabinet.

Yours sincerely,  
John S. Graham

J S GRAHAM  
Private Secretary

EDUCATION, Bury

P. 5



**CONFIDENTIAL**  
From: THE PRIVATE SECRETARY

NBS 17  
AT 25/7  
cc OK



NORTHERN IRELAND OFFICE  
WHITEHALL  
LONDON SW1A 2AZ

R L Smith Esq  
Private Secretary to the  
Rt Hon Sir Keith Joseph Bt MP  
Department of Education and Science  
Elizabeth House  
York Road  
LONDON  
SE1

25 July 1985

*Dear Rob*

*Education file  
with AT.*

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

My Secretary of State is content with the proposed membership of the University Grants Committee review team as set out in Ian Hughes' letter of 19 July. He notes that none of the members appears to have any connection with, or experience of, the Northern Ireland higher education scene. While he does not wish to press for the inclusion of a member with this particular qualification, he is confident that Sir Keith Joseph will appreciate the need to take into account the Northern Ireland dimension and to ensure that the Department of Education for Northern Ireland is kept closely in touch with the work of the review team.

I am copying this letter to Andrew Turnbull (No 10), Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), Tony Lawrence (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Paul Thomas (Chancellor of the Duchy of Lancaster's Office) and Richard Hatfield (Cabinet Office).

*Yours ever  
Jim*

J A DANIELL

ssd

**CONFIDENTIAL**

Education: General Policy Pt 5





NDPM  
 AS 25/7  
 CC-PV

## DEPARTMENT OF HEALTH &amp; SOCIAL SECURITY

Alexander Fleming House, Elephant &amp; Castle, London SE1 6BY

Telephone 01-407 5522

*From the Secretary of State for Social Services*

I M Hughes Esq  
 Private Secretary to  
 The Rt Hon Sir Keith Joseph MP  
 Secretary of State for Education and Science  
 Department of Education and Science  
 Elizabeth House  
 York Road  
 LONDON  
 SE1 7PH

24 July 1985

Dear Ian,

## REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

My Secretary of State has seen your letter to Andrew Turnbull of 19 July about the composition of the Committee to review the UGC. While content with the terms of reference and the proposed Chairman of the review, he feels strongly that the membership should include someone with an understanding of the close inter-relationships between medical schools and the NHS.

University medical faculties are large and expensive institutions which pose special problems for academic funding and administration. The teaching of medicine involves tuition of up-to-date practical skills for which close links between medical faculties and NHS teaching hospitals are essential. As part of these arrangements clinical academics under honorary contract to the NHS contribute to patient services while NHS consultants, correspondingly, teach in universities. Consequently changes in UGC provision have consequences for NHS services - as the Social Services Committee has noted critically in its 1981 and 1985 reports. Furthermore, while Health Ministers set overall targets for the number of doctors that the medical schools should train, it is for the UGC and DES to set targets for individual universities. Thus there are close common interests and concerns between universities and the NHS.

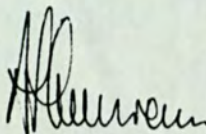
We think that the importance and the complexity of these inter-relationships are such that it would be helpful to include on the Committee someone with experience and understanding of these issues.

File  
 with  
 AT

E.R.

An individual who we would suggest might fit the bill is Sir Peter Froggatt, who is currently Vice-Chancellor of Queen's University, Belfast, and was previously Professor of Epidemiology and Dean of the Medical Faculty at that University. Sir Peter is also a member of the Supervisory Group which advises Northern Ireland Ministers on health matters. Sir Peter is due to retire from Vice-Chancellorship next year and seems to us the most suitable for the post. If, however, it was felt that his being a serving academic at present was a serious obstacle, we would be ready to suggest other names.

I am sending copies of this letter to Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's office), Richard Hatfield (Cabinet Office) and Andrew Turnbull (10 Downing Street).



A Laurance  
Private Secretary

Police,  
Education. PES







CONFIDENTIAL

The Rt Hon Sir Keith Joseph MP  
Secretary of State for Education and Science  
Elizabeth House  
York Road  
LONDON  
SE1

SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

NBPM at the stage:  
MBA 24/7

23 July 1985

Dear Keith,

#### GRANT AIDED SCHOOLS

Thank you for sending me a copy of your letter of 15 July to Willie Whitelaw. If there is to be the discussion with colleagues which you suggest I should indeed want to be party to it; but there are a number of points which I think I should make immediately.

The first is that the proposal is of immediate relevance to the future of Jordanhill College School, a combined primary and secondary school in Glasgow for about 1000 pupils aged 5 to 18 which is at present financed at an annual cost of about £965,000 on my college of education vote. The school was originally established - like other schools formerly attached to colleges of education - to serve as a centre where particular teaching techniques could be practised and observed. It no longer serves this demonstration purpose and a recent report by the National Audit Office criticised its continued financing by central Government. I am therefore under obligation to consider its future funding: your proposal, and the Prime Minister's interview yesterday which has been widely interpreted as pointing to the reintroduction of direct grant schools, will be seen by parents of pupils at the school as having immediate relevance to its future. I would therefore suggest that, in addition to your proposal that voluntary bodies should be enabled to set up new grant-aided schools, we should consider - for Scotland at least - the possibility of grant aiding schools linked to colleges of education.

Secondly there was a good deal of opposition among our supporters in Scotland to the phasing out of our former grant-aided school system and the substitution of the assisted places scheme. Under the former system the grant-aided secondary schools were able to offer education which was highly regarded at modest fees which were subsidised for all parents. A number of parents therefore benefited who are eligible for little or no assistance under the means tested assisted places scheme. Now that the possibility of reintroducing grant-aided schools has been publicly aired, I expect considerable pressure from parents in favour of this, and a number of the governing bodies of the schools themselves might prefer to revert to receiving a general subsidy instead of assisted places grant. I would like to consider at the meeting whether in Scotland at least we should be prepared in principle to allow this.

Both the immediate problem of Jordanhill College School and the possible pressures from the former grant-aided secondary schools mean that it would be impossible in Scotland to proceed as you propose with a limited experiment in the primary school sector only: it would be necessary to consider measures to cover both primary and secondary education.

It would also be unnecessary to wait until after the next election since existing education legislation in Scotland would enable me to set up a new grant-aided schools scheme subject to the making of new regulations.

The difficulty is of course to find the funds for such a development. The assisted places scheme has achieved a wider geographical spread than the former grant-aided system and it does give greater financial assistance to parents of low income. Any new grant-aided arrangements would have to be additional to, rather than a replacement for, the assisted places scheme, and it would be impossible for me to find funds for this out of the resources at present available to me.

More fundamentally, I think we ought to consider the implications for our control of local authority expenditure. Your suggestion is that grant-aided schools should act as neighbourhood schools and be as far as possible directly comparable with local authority schools. But if the grant-aided schools were spending more per pupil than local authority schools - as they would if they were able to charge fees as well as receiving grant at the local authority unit cost rate - could that not be represented as demonstrating that standards generally might indeed be improved if only Ministers would relax their restrictions on local authority expenditure? It may be better to concentrate on presenting any new measures as an extension of parental choice rather than as an example to local authority schools.

Copies of this letter go to Willie Whitelaw, Nigel Lawson, Nicholas Edwards, John Biffen, Patrick Jenkin, Norman Tebbit, David Young and John Selwyn Gummer; and to the Prime Minister and to Sir Robert Armstrong.

Yours ever,

George

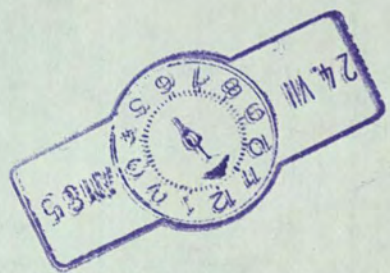
CONVICTION: PBY  
PT 5

The difficulty of course is that the funds for the development of the system are not sufficient to cover the cost of the system. The system is not self-sufficient and it has to be subsidized by the Government. The Government is not in a position to do this because of the heavy burden of the national debt. The Government is not in a position to do this because of the heavy burden of the national debt.

More fundamentally, I think we ought to consider the implications for our system of local authority education. Your suggestion is that local authority schools should be set up in a particular district. This is a very good idea. It would allow us to have schools which are better suited to the needs of the district. It would also allow us to have schools which are better suited to the needs of the district. It would also allow us to have schools which are better suited to the needs of the district.

There is no doubt that the system of local authority education is a very good one. It allows us to have schools which are better suited to the needs of the district. It also allows us to have schools which are better suited to the needs of the district. It also allows us to have schools which are better suited to the needs of the district.

*[Faint handwritten signature]*





Senath  
bc Oweston

10 DOWNING STREET

22 July 1985

*From the Private Secretary*

VILLAGE SCHOOLS

The Prime Minister has asked for consideration to be given to introducing legislation which would enable parents to keep alive village schools which would otherwise be due for closure. I attach a note which sets out one way in which this might be tackled.

The Prime Minister has suggested that the appropriate legislation could be included in the Education Bill which has a place in the programme next session.

The Prime Minister would be grateful for your Secretary of State's comments on the proposal, and on the prospects for including it in next Session's Education Bill.

(Mark Addison)

R.L. Smith, Esq.,  
Department of Education and Science

CONFIDENTIAL

See

## VILLAGE SCHOOLS

Nothing in the law, as it now stands, prevents parents from taking over their village schools if they want to do so. But the parents would find it difficult to run the school on their own, since they would receive no financial assistance from the LEA.

To overcome these difficulties, legislation would need to:

- i. Give LEAs which were proposing to close a village school a duty to offer financial assistance to parents wishing to set up an independent replacement where:
  - a. the offer of such assistance would not reduce the financial savings otherwise likely to be brought about by the closure; and
  - b. the parents could show that they were capable of meeting the minimum educational standards imposed on maintained schools; (this might be subject to HMI inspection at the end of the first year).
- ii. Give the Secretary of State a duty to reject any closure plan where the LEA had not made reasonable efforts to comply with (i).

The legislation would also need to set out rules governing the relation between the Secretary of State, the LEA and the new establishment. The school would presumably need to be a charitable trust. The Governors would need to be reconstituted as trustees, who would appoint and pay staff (though these might be seconded from the LEA), and in every way run the school. The LEA would be given power to make a per capita basic grant to the school supplemented by a fee-remission grant for poor parents, arranged on a sliding scale according to means, enabling the school to offer bursaries. The buildings would presumably be leased or sold to the trust, except where the LEA was proposing to close a

voluntary-aided primary school, in which case the Church or other foundation would already own the premises.

Annex A sets out examples of costings which show that schools of this sort could in some cases be viable for the parents and as cheap as closure for the LEA.

CONFIDENTIAL

SPW



file

10 DOWNING STREET

*From the Private Secretary*

22 July 1985

**REVIEW OF THE UNIVERSITY GRANTS COMMITTEE**

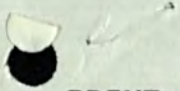
The Prime Minister has seen your letter to me of 19 July and is content with the composition of the Committee under Lord Croham. She wonders, however, whether an alternative to Sir Austin Bide might be found. She has suggested Sir Alex Alexander.

I am copying this letter to Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), Steve Godber (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's Office) and Richard Hatfield (Cabinet Office).

**(ANDREW TURNBULL)**

Ian Hughes, Esq.,  
Department of Education and Science

SPW



PRIME MINISTER

The Policy Unit have come up with a proposal for a Private Member's Bill, to help parents keep village schools going, when LEAs might otherwise wish to close them.

Content that we should now put this suggestion to DES for their comments?

MEA.

(MARK ADDISON)

19 July 1985

Yes - Provision  
could be included in  
the Education Bill  
which has a place next  
session.

not





10 DOWNING STREET

Prime Minister ①

Agree this committee tender  
Lord Croham provided a  
max executing industrialist  
than Sir Austin Bide can  
be found?

AF

1917

Yes

Sir Max Alexander?

mf.



DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Andrew Turnbull Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

19 July 1985

*Dear Andrew,*

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

*File with A7*

Thank you for your letter of 16 July. Sir Keith Joseph is grateful for the Prime Minister's agreement to the terms of reference of the UGC review. He hopes that it will be possible to announce the terms of reference and the name of the chairman before the House rises.

Sir Keith has not yet been able to consult any of his colleagues about the members of the committee, although there have been some consultations between officials. But as members of the committee Sir Keith has in mind the following:

Lord Butterworth  
(Deputy Chairman)

Ex Vice-Chancellor of Warwick University and recently a member of the Jarratt Committee on university efficiency

Mrs Mary Baker

Director of Barclays Bank and Thames TV (wife of Mr Kenneth Baker MP)

Mr Ian Beesley

The Prime Minister's Efficiency Unit - Mr Beesley has already established himself in this field through his work on the Jarratt Committee on university efficiency, and Sir Keith is particularly grateful to Sir Robin Ibbs for agreeing to let him undertake this further task.

Sir Austin Bide

Chairman of Glaxo and of BL. Sir Austin has already done excellent work for us as Chairman of the Open University Visiting Committee.

Dr Peter Clarke

Ex Principal of the Robert Gordon's Institute of Technology in Aberdeen and Chairman of the Scottish Vocational Education Council (SCOTVEC).

Mr P T Matthews

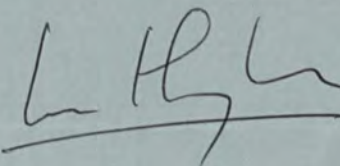
Ex Vice-Chancellor of Bath University, which is probably one of the most cost-effective universities in the country, and a distinguished physicist (FRS and a former Professor of Theoretical Physics at Imperial College).

Mr John Smith

Secretary of Imperial College London, where he has been Chief Administrator under Lord Flowers of one of our most successful institutions.

Sir Keith hopes that the Prime Minister and his colleagues will agree that this is a good team to support Lord Croham, and will now agree to his appointment. You may like to note that the Secretary of State deliberately decided not to include any serving academics because they were likely to be too close to the immediate concerns of their institutions, nor any trade union representatives.

I am copying this letter to Rachel Lomax (HM Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), Steve Godber (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's Office) and Richard Hatfield (Cabinet Office).

*Yours sincerely,*  


I M HUGHES  
Private Secretary

Policy: Education PLS



18 July 1985

*Benati*

VILLAGE SCHOOLS

In discussion with John Selwyn Gummer, you raised the possibility of a Private Member's Bill, enabling parents to keep alive village schools due for closure.

Nothing in the law, as it now stands, prevents parents from taking over their village schools if they want to do so. But the parents would find it difficult to run the school on their own, since they would receive no financial assistance from the LEA.

To overcome these difficulties, a <sup>*lynch*</sup> Private Member's Bill would need to:

- i. Give LEAs which were proposing to close a village school a duty to offer financial assistance to parents wishing to set up an independent replacement where:
  - a. the offer of such assistance would not reduce the financial savings otherwise likely to be brought about by the closure; and
  - b. the parents could show that they were capable of meeting the minimum educational standards imposed on maintained schools; (this might be subject to HMI inspection at the end of the first year).
- ii. Give the Secretary of State a duty to reject any closure plan where the LEA had not made reasonable efforts to comply with (i).

<sup>*lynch*</sup> The Bill would also need to set out rules governing the relation between the Secretary of State, the LEA and the new establishment. The school would presumably need to be a charitable trust. The Governors would need to be

reconstituted as trustees, who would appoint and pay staff (though these might be seconded from the LEA), and in every way run the school. The LEA would be given power to make a per capita basic grant to the school supplemented by a fee-remission grant for poor parents, arranged on a sliding scale according to means, enabling the school to offer bursaries. The buildings would presumably be leased or sold to the trust, except where the LEA was proposing to close a voluntary-aided primary school, in which case the Church or other foundation would already own the premises.

*sets out examples of costs*  
We attach, at Annex A, ~~an example~~ which shows that schools of this sort could in some cases be viable for the parents and as cheap as closure for the LEA.

The political advantages of a scheme of this sort are obvious: more than 500 rural primary schools have been approved for closure since 1978; parents in rural areas would be offered a way of avoiding such closures by taking a significant proportion of the cost of the school upon themselves. Reduction of LEA costs could become a much less unpopular business - perhaps even a local vote-winner, particularly with the Churches in the case of voluntary-aided schools. Back-benchers sitting for rural constituencies would undoubtedly compete hard for the privilege of sponsoring such a Bill, which might be supported by the Government as part of a package of measures to sustain village life.

We recommend that you should now ask DES to consider helping a backbencher high in the ballot with the drafting of a Bill on these lines.

*Ol Letwin*

OLIVER LETWIN

COMPARISON OF SAVINGS: SCHOOL CLOSURE VS GRANT-AIDPresent Situation

The district of Ninkum in Poopshire has four primary schools. As a result of falling rolls, the four schools have, between them, 250 surplus places; the average cost of educating a pupil in this area has consequently risen to £819 pa, compared with an average cost of £750 pa in the LEA as a whole. The position is:

Table I

| School | No of Pupils | No of Teachers | No of Caretkrs/ Secs. | Pupil: Teacher ratio | No of Places | Surplus Places | Teachers | Caretakers/ Secretaries | Heat etc | Books etc | Total   | Average Cost to LEA per pupil |
|--------|--------------|----------------|-----------------------|----------------------|--------------|----------------|----------|-------------------------|----------|-----------|---------|-------------------------------|
| A      | 250          | 12             | 2                     | 20.8:1               | 300          | 50             | 120,000  | 14,000                  | 30,000   | 25,000    | 189,000 | 756                           |
| B      | 150          | 7              | 1.5                   | 21.4:1               | 200          | 50             | 70,000   | 10,500                  | 20,000   | 15,000    | 115,500 | 770                           |
| C      | 25           | 1.5            | 1                     | 16.7:1               | 100          | 75             | 15,000   | 7,000                   | 10,000   | 2,500     | 34,500  | 1,380                         |
| D      | 25           | 1.5            | 1                     | 16.7:1               | 50           | 25             | 15,000   | 7,000                   | 5,000    | 2,500     | 29,500  | 1,180                         |
|        | 450          | 22             | 5.5                   | Av. 20.5:1           | 650          | 200            | 220,000  | 38,500                  | 65,000   | 45,000    | 368,500 | Av. 819                       |

Notes

(1) Costs have been calculated on the following assumptions:

|  |                  |
|--|------------------|
|  | £                |
| Cost of employing full-time teacher .... | 10,000 pa        |
| " " " part-time teacher ...              | 5,000 pa         |
| " " " full-time caretaker/... secretary  | 7,000 pa         |
| " " " part-time secretary ...            | 3,500 pa         |
| " " heat, light, repairs etc .....       | 100 pa per place |
| " " books, equipment etc .....           | 100 pa per pupil |

(2) Caretakers/Secretaries are allocated as follows:

| School | Allocation                                   |
|--------|--|
| A      | 1 full-time Caretaker, 1 full-time Secretary |
| B      | 1 full-time Caretaker, 1 half-time Secretary |
| C      | 1 full time Caretaker                        |
| D      | 1 full time Caretaker                        |

LEA Proposal:

The LEA is alarmed by the number of surplus places, and believes that small village schools are educationally damaging. It therefore proposes to close schools C and D, which have a small number of pupils, large numbers of surplus places, and high unit costs. The proposal is to move the 25 children in School D to school A, and the 25 in school C to school B. The two part-time teachers in C and D are to be made redundant; the full-timers are to be transferred to A and B respectively; this minimises redundancy costs, which can in any case be set against receipts from sale or lease of the redundant premises. The result of the move is to eliminate 150 surplus places and to reduce average unit costs. There are, however, considerable additional transport costs - roughly another 25p per child per day; this amounts to about £50 per child per school year, or a total extra cost for the 50 displaced children of about £2,500 pa. The total saving brought about by the closure is therefore £36,500 pa. The LEA's new costs will be:

Table II

| School | No of Pupils | No of Teachers | No of Caretks/ Secs | Pupil: Teacher Ratio | No of Places | Surplus Places | <u>LEA COSTS: £ p.a.</u> |                         |               |               |                 | Average Cost to LEA per Pupil |                |
|--------|--------------|----------------|---------------------|----------------------|--------------|----------------|--------------------------|-------------------------|---------------|---------------|-----------------|-------------------------------|----------------|
|        |              |                |                     |                      |              |                | Teachers                 | Caretakers/ Secretaries | Heat etc      | Books etc     | Addit. Transpt' |                               | Total          |
| A      | 275          | 13             | 2                   | 21.2:1               | 300          | 25             | 130,000                  | 14,000                  | 30,000        | 27,500        | 1,250           | 202,750                       | 737            |
| B      | 175          | 8              | 1.5                 | 21.9:1               | 200          | 25             | 80,000                   | 10,500                  | 20,000        | 17,500        | 1,250           | 129,250                       | 739            |
| C      |              |                |                     |                      |              |                |                          |                         |               |               |                 |                               |                |
| D      |              |                |                     |                      |              |                |                          |                         |               |               |                 |                               |                |
|        | <u>450</u>   | <u>21</u>      | <u>3.5</u>          | <u>Av. 21.4:1</u>    | <u>500</u>   | <u>50</u>      | <u>210,000</u>           | <u>24,500</u>           | <u>50,000</u> | <u>45,000</u> | <u>2,500</u>    | <u>332,000</u>                | <u>Av. 738</u> |

Notes

- (1) Costs are calculated on the same assumptions as used in Table I.
- (2) Caretakers and secretaries are allocated to schools A and B on the same basis as in Table I.



Grant-Aided Option:

School C is not particularly popular; most parents do not object to closure. But 20 of the parents at D do like their school, and are happy to pay something to keep it open. Ten of the parents from C decide to join them. Under the new grant-aided scheme, they agree to set up as an independent trust, and receive half of the LEA's average cost per child as a basic grant, together with a fee-remission grant for poor children, and lease of the buildings at a peppercorn rent. But the LEA is not obliged to offer this option unless it is clear that the savings will at least equal those accruing from closure.

In the present case, the LEA's average annual cost per child is £750 and the basic grant is fixed at half of this - £375 per child per year.

Fee-remission grant is added, on the following scale:

| <u>No of Children</u> | <u>Joint Parental<br/>Income</u> | <u>£ per annum</u> | <u>Fee-Remission Grant</u> |
|-----------------------|----------------------------------|--------------------|----------------------------|
| 20                    | > 15,000                         |                    | 0                          |
| 5                     | 10-15,000                        |                    | 100                        |
| 3                     | 8-10,000                         |                    | 150                        |
| 2                     | < 8,000                          |                    | 200                        |

[These figures are based upon reasonable assumptions about the level of parental income, derived from experience of the Assisted Places Scheme and revised to allow for the higher average income of prosperous rural areas.]

The LEA also loses unit savings from failing to fill some surplus places in A and B. But there are compensating savings on transport. The LEA loses from its failure to lease or sell C's premises at commercial rates; but it retains title to the assets; and it gains offsetting savings from the absence of redundancy payments, since it continues to be the ultimate employer of the teachers and seconds them indefinitely to the trustees of the schools. The continued existence of school D under the scheme also covers the LEA should there be any expansion of the village in future years.

The LEA's running costs under this arrangement would be as follows:

Table III

| School | No of Pupils | No of Teachers | No of Ctk's/ Secs | Pupil: Teacher Ratio | No of Places | Surplus Places | <u>LEA COSTS: £ p.a.</u> |               |               |               |                |               |                   |                | Average Cost to LEA per Pupil |
|--------|--------------|----------------|-------------------|----------------------|--------------|----------------|--------------------------|---------------|---------------|---------------|----------------|---------------|-------------------|----------------|-------------------------------|
|        |              |                |                   |                      |              |                | Teachers                 | Ctk's/ Secs   | Heat etc      | Books etc     | Addit. Transpt | Basic Grant   | Fee Remiss. Grant | Total          |                               |
| A      | 255          | 12             | 2                 | 21:1                 | 300          | 45             | 120,000                  | 14,000        | 30,000        | 25,500        | 250            | -             | -                 | 189,750        | 744                           |
| B      | 165          | 8              | 1.5               | 21:1                 | 200          | 35             | 80,000                   | 10,500        | 20,000        | 16,500        | 750            | -             | -                 | 127,750        | 774                           |
| C      |              |                |                   |                      |              |                |                          |               |               |               |                |               |                   |                |                               |
| D      | 30           | 2              | 0.5               | 15:1                 | 50           | 20             | [Borne by School]        |               |               |               |                | 11,250        | 1,350             | 12,600         | 420                           |
|        | <u>450</u>   | <u>22</u>      | <u>4</u>          | <u>20.5.:1</u>       | <u>550</u>   | <u>100</u>     | <u>200,000</u>           | <u>24,500</u> | <u>50,000</u> | <u>42,000</u> | <u>1,000</u>   | <u>11,250</u> | <u>1,350</u>      | <u>330,100</u> | <u>734</u>                    |

Notes

- (1) Costing assumptions remain the same as in Tables I and II.
- (2) Caretakers/Secretaries are allocated to A and B as in table II; school D has one half-time caretaker.
- (3) School D keeps its full-time teacher and its part-timer, and takes on another part-timer from C.

As Table III shows, the total cost to the LEA of the district's schools will be £329,950 - ie £1,900 less under the grant-aided scheme than under the closure scheme.

But will the new grant-aided school be financially viable? Its annual costs, (on the same basis as in previous Tables), would be:

|  | £            |
|--|--------------|
| 1 full-time teacher<br>(salary and employment costs) | 10,000       |
| 2 half-time teachers                                 | 10,000       |
| 1 half-time caretaker                                | 3,500        |
| Heat, light, repairs etc                             | 5,000        |
| Books, equipment, etc                                | <u>3,000</u> |
|  | 31,500       |

The receipts might be:

| No of Pupils | Family Income | Fee Charged | Total Receipts from fees | Fee Remission Grant (FRG) | Total Receipts from FRG | Basic Grant (BG) | Total Receipts from BG | Total Receipts |
|--------------|---------------|-------------|--------------------------|---------------------------|-------------------------|------------------|------------------------|----------------|
| 20           | >15,000       | 750         | 15,000                   | -                         | -                       | 375              | 7,500                  | 22,500         |
| 5            | 10-15,000     | 550         | 2,750                    | 100                       | 500                     | 375              | 1,875                  | 5,125          |
| 3            | 8-10,000      | 400         | 1,200                    | 150                       | 450                     | 375              | 1,125                  | 2,775          |
| 2            | <8,000        | 150         | <u>300</u>               | 200                       | <u>400</u>              | 375              | <u>750</u>             | <u>1,450</u>   |
|              |               |             | 19,250                   |                           | 1,350                   |                  | 11,250                 | 31,850         |

In other words, by charging the richer parents fees of just over £60 per month, and by remitting all but £12.50 per month of this for its poorest parents, the school could cover all its expenses. Indeed, given local goodwill, and a willingness on the part of parents to help out in various ways, the school might cut its costs further, and remain viable even if the LEA reduced its grant or decided to charge rent on the premises.

This example is not arbitrary or wildly optimistic. It is based upon plausible assumptions about costs. It shows not that life would be easy for such a school, but that some schools in this position could very probably be grant-aided, and could survive, whilst both saving the LEA as much as closure, and charging extremely reasonable fees.

~~CF~~

CF

M file with Direct  
Creat Schools papers.

MEA 13/11

TRANSCRIPT OF AN INTERVIEW

GIVEN BY THE PRIME MINISTER

THE RT HON MARGARET THATCHER FRS MP

TO

DIVERSE REPORTS - CHANNEL 4 (CHRISTINE CHAPMAN)

ON

WEDNESDAY 17 JULY 1985

Press Office  
Prime Minister's Office  
10 Downing Street  
Whitehall  
LONDON SW1

01-930 4433

Q: Prime Minister when you were elected to lead the Conservative Party you attracted a lot of people because you stood for less state control and more individual freedom and you had some very tough and radical policies to put those beliefs into practice. Now what's worrying some people like myself who supported you, worked for you and voted for you in 1979 is not that there is anything wrong with your policies but that you don't seem to have put them into effect, in other words Prime Minister, I suppose we believe in Thatcherism but I'm wondering if you still do ?

PM: Well now let me challenge you on some of your facts. I think we've put a great many of them into effect just look for example of what we've done for the individual member of a trade union in giving him the right to vote to control his union bosses. Certainly we've had three Bills to that effect and the full measure did not come into effect until this October. We have done a tremendous amount over industrial relations, withstood strikes and given the ordinary person in a trade union much more control. Now less state control, yes we've had the most massive denationalisation programme ever, about ten big companies have been denationalised and with it we've given those people who worked in the industry special preferential rights in buying shares and they've done it. Consequently the number of people who own shares is going up at last and again less state control over housing. We've given people who would never thought to have a house of their own the right to buy a house and let me come back to perhaps one further thing on taxation on your earnings, I would like to have got taxation down a good deal more nevertheless for the average person is already paying some £260 a year less on income tax than he was when we came into power.

Q: Prime Minister I'd like to pick up on some of those things a little later on but can we start with looking at public spending. Now I think we both agree that too high a level of public expenditure is a major obstacle to free enterprise but it is a fact that your government is spending more than other governments before it and I get the feeling since Brecon and Radnor that your Ministers seem to be proud about how much they are spending. Do you still want to cut public spending ?

PM: I've been in politics a long time, what you usually have to do with public spending is to try to hold it and to redetermine your priorities. Now when we came into power we said yes we did want to control public spending and our

record shows that we have controlled it. Certainly yes it has increased, we've faced a recession and of course that usually does mean increased expenditure and it did but each year we've set out the amount but within the amount you have to set out priorities. You know we set them out quite clearly in the 1979 manifesto and I think some of them might have attracted people. First defence had been run down rather badly and so of course we had to get up defence expenditure to play our full part in NATO. That we have done and the increase in defence expenditure is very nearly through. Secondly, we said we must spend more on law and order, thank goodness we did, we have nearly 12,000 more police they are very well equipped, their pay is good, their morale is restored. Those were two clear priorities. Two other things we also said namely that we would in fact keep the National Health Service and not reduce expenditure, we have in fact increased it and also we kept our pledge to the pensioners. So with overall control but within that overall control, clear priorities. We have in fact kept all those priorities.

Q: Prime Minister, under your government, government spending as proportion of GMP has consistently gone up. Now surely good housekeeping alone can't deliver substantial reductions in public spending it's not enough.

PM: As I indicated earlier, yes it does have to go up during a recession as you know for obvious reasons you spend a good deal more on unemployment benefit and you spend a good deal more on mitigating hardship wherever it occurs. It did not go up as a proportion of national income to the level which the Labour government reached in the other recession in 1975/76 they went up higher and of course you know they got their finances into a terrible mess and had to go to the IMF. So yes we went up higher than I would wish and we started to come down and then as you know last year we were stopped because of the coal strike which of course took down the growth, we got about 2½% growth last year but it should have been more, we were planning for more. And this year growth is going ahead faster than last year and so we hope to take down the proportion, so we are back to the course which we were trying to follow earlier.

Q: Prime Minister can we look at some ways of cutting public spending and particularly those suggested in the manifesto. Now I'm sure you'd agree that public spending has sort of got a momentum of its own as long as there are government departments and civil servants and yes probably ministers, the demand for money increases. Now surely the way to cut public spending in perhaps the way that you would

like to is to give up more state control. So can I ask you why you haven't used denationalisation to get public spending down.

PM: But in a way denationalisation has helped us it has helped us enormously. Of course to some extent you have sold off some of your industries, your Cable and Wireless and your BP, where you have in fact got assets, you have in fact got money for those assets but it will enable you to reduce the demands elsewhere. Sometimes you know when you are selling off the ones that have been very good you are reducing your income, your annual income but we did it because it's part of our belief that politicians don't know how to run industry. They shouldn't have those decisions to make, the investment in those industries should not depend on political decisions but you depend upon the return for money. So selling those off has in fact brought assets in which have been able to hold down the tax we would have had to have got elsewhere and that has been very good both in terms of finance and also in terms of belief that governments should not run these things.

Q: Can I just press you on one point. Now, one glaring example of an industry that hasn't been denationalised is the coal industry which is requiring vast subsidies from taxpayers most of whom earn less than the miners themselves. Now your 1983 manifesto said, and I absolutely agree, that subsidy cannot produce revival and that nationalised industries don't provide a better service for the customer so why haven't you considered denationalising the coal industry?

PM: Well really with the amount of subsidies that's having to go into the coal industry at the moment, I cannot think that we would be overwhelmed with buyers. What we are trying to do, and I'm sure it's right because you are quite right, the amount that has gone in I think it's 2 million pounds has gone into investment in the coal industry for every day that we've been in power. What we are doing is saying look, we are tremendously lucky to have those assets in coal reserves, tremendously lucky. There are excellent seams, there are excellent open casts, there are excellent underground seams. If people working in that coal industry and if people who buy from that coal industry are to have a good future, we've got to concentrate on the good seams where it is much easier to mine the coal, much less price and then you get your electricity at a much lower price.

Q: Would you consider privatisation as an option ?

PM: Well if people come to us in the coal industry and say look we want a management buy-out yes of course we would consider it. Indeed, there were some as you know not far from Barnsley who wanted it but I think, I have the impression that the place where they wanted it was one that would have been extremely difficult for them to work and I think it's important that the first time you get that happening the people who take it over or buy it out, the coal miners who buy it out and the managers have a really good chance of success. It has happened elsewhere in other industries but the first thing is to get that industry in a thriving state and to go for mining the best coal so that you can get the prices down and therefore have a good future.

Q: Can we move on to your other great belief which I share, which is in individual freedom of choice. Now it's very interesting that the one big budget you have got down is housing, as you said yourself council house sales. Now that's given real freedom of choice and real consumer power, now can I ask you Prime Minister why you haven't applied real consumer power to parents in education by giving them real parent power.

PM: We have to some extent by doing assisted places and they are very important. I remember once when I was doing a 'phone-in when I was a Secretary of State for Education, one very concerned parent whose child was having a very tough time at a particular school being bullied and hated going to school, on the 'phone and saying what in the world can I do. One said well first have you other schools in your area, can you transfer and there weren't because they were all big schools and in the end one was driven to say, well now look we must try to get a place at, in those days, a direct grant school or at a private school. And this always bothered me very much, what happens if children are very unhappy at school and there is no other for them to go to, so we have done assisted places where you can choose to go to a private school and there are many cases in which it works but on the broad thing you are right, you haven't very much choice between school in a large area quite a bit but certainly in other areas comparatively small. And also I know some parents feel, look we pay for our childrens' education, they do, they pay through the taxpayers pocket, the average cost for a primary school child is about £760 a year, for the secondary school child about £11,000 a year and they are paying, not paying directly to the school but they are paying out of their taxpayers and ratepayers pocket and they



feel they are not having enough say. Now I am very sympathetic towards that view and we look to see if we could begin to operate a voucher scheme under which the parent was handed, that is the cost which you are paying to educate your child, now you can take it to what school you wish and it may be that you find one which has teachers in the way you want children taught, which teaches the subjects you want. Now we haven't been able to do that yet and this sort of absence of, dare I use a phrase, this absence of a kind of partnership, I was going to say that in many ways a partnership between the state and the parent with the state paying some and the parent maybe being able to top-up, we've not got yet. And I think it is very unfortunate in a way that the choice is either wholly state, which 95% of people have to make and then they feel they are not having enough say in that education so we are giving parents more power, or only about 5% private. The direct grant schools bridged that gap and one is now considering how more we can bridge that gap so that many parents who are not happy with the school to which their child is going and therefore the child is not doing well as it should, may be able to top up a little bit as many could but we have not found the way yet. It does concern me that so often the choice is wholly state and a tiny bit of private so that it isn't really a choice for many parents.

Q: I think we absolutely agree and you seem to be coming very very close to some form of voucher system. Now can you promise parents and after all education is terrifically important it effects everyone. Can you promise parents that they are going to get some stronger financial say in their child's education ?

PM: I can't yet. I would like to increase the assisted places scheme, I would like to bring back what are called direct grant schools. You recall what they were, they were offered from the bottom of the ladder to the top for many a child, if you got a place in a direct grant school, there were many places which were free and therefore you had one of the best educations and everyone who went there went because of their ability was fit to that kind of education, suited to that kind of education. Unfortunately, they were abolished but it was that kind of partnership where the state paid something and then some parents paid something, other parents got it totally free because they couldn't afford to pay anything or because there were totally free places. I am the first to say that I would like in the future to get in some areas a greater partnership between state and parent. At the moment what we are doing is putting more parents or governing bodies but it's still either the state or private and too few schools where

parents who feel that their children aren't getting the kind of education that they want could pay something, a small amount and not a great deal.

Q: How soon, very very briefly, how soon can you promise us some action on redressing the balance between the state and the parents ?

PM: We are looking at that, that is going to take quite a time because it would mean setting up direct grant schools again and we are looking at that. I'm very disappointed that we were not able to do the voucher scheme and I sometimes think that I must have another go because there are a number of parents who come and say well look we would like to spend some of our money on educating our children but there isn't the possibility it's either all private or all state and there really isn't the possibility at the moment and we ought to take action to meet that possibility. It's very ironic that you can spend your money on a lot of consumer goods but not in a way to help your childrens education.

Q: Prime Minister can I look at consumer choice at a much more fundamental level in the form of tax cuts. You've said yourself you are disappointed you haven't been able to deliver more in the way of tax cuts because of the level of public spending and we've been over that but can we look at tax cuts on low incomes. Why is it that the tax cuts that you've delivered, only 4% have been directed to low incomes when low incomes are the key area for enterprise ?

PM: We've tried to operate at all levels. Can I just recall what we've done, when we came in the standard rate of tax was 33p in the pound, that's taken down to 30p in the pound so everyone who pays income tax at all pays a lesser rate in the pound. We were very very keen to get people who can start up businesses staying here and good managers staying here, they were on a top rate of earnings of 83% tax so we brought it down to 60% therefore it's about the same as other people so you look at your good managers, you look at the broad mass of income tax payers and you've standard rate down. The most expensive thing of all is to increase the tax free allowance, the tax threshold, it's obvious that the tax pyramid is like that it's a triangle it's quite cheap to do tax reliefs at the top, it's very very expensive to do it at the bottom but we have, much more important and we have. Can I just give you a figure, the tax free allowances, that's the tax thresholds are up over and above inflation, they are up by 20% over and above inflation,

that's the tax free allowances and that's really why people are paying as I indicated, a lesser amount in direct tax than they would have been had we held the rates that were there when we came in. Again we want to do more but we have in almost every budget concentrated on that because it's really..... and again not in tax but in national insurance contributions on the lower paid, as you know, they are going to pay less national insurance contributions, that comes into effect in November. Yes more needs to be done and as we are in about the fifth year we are growing steadily and this year should be a very good year for growth. The whole strategy is to say, I must hold what was put in the public expenditure paper so the extra growth can go to reducing tax and you know I believe in that firmly and it does mean saying to ministers, look you are not entitled to spend in your department the tax relief of someone who is one below average pay, and I do use those words and I use them to Members of Parliament who are very much in the upper half, you are not entitled to go to your constituents and say, I have spent your tax relief on something which the government thinks it could spend your money better on, I believe you should have that tax relief and it means keeping very tough control of ministers in their departments and it means saying to them, you've got a duty to get the maximum out of every pound you spend, I don't want any waste any bad administration, the maximum out of every pound you spend, now look at your expenditure that way, don't just demand more.

Q: Prime Minister can I ask you for a pledge that you will cut taxes in the life-time of this Parliament ?

PM: We shall go on with our present policy of cutting direct taxes and we hope, I can't give you an absolute pledge, that is our first objective to cut income tax and particularly at the lower levels of income, it's very very important.

Q: Can we move on to unemployment which is the reason why I raised taxation at lower income levels, that's where it's a problem. You said yourself, and I absolutely agree, real jobs are only created in the private sector and one of the first tasks of your government is to remove obstacles from the private sector. Now let me put to you the number one obstacle that all the businesses are complaining about. Why haven't you abolished Wages Councils ?

PM: You will find a statement on Wages Councils very soon. The real problem there is that the wages that they are demanding for young people are too high a proportion of the adult wage and so you'll find that there is a consultative paper out on wages councils now and there will be a statement done very soon.

Q: Prime Minister with respect with consultative papers aside there are young people who are unemployed out there and adults who are unemployed out there because your government inspectors are rushing around telling employers what to pay people. Now surely the Government shouldn't be in the business of doing that, it should be helping employers to take people on by lifting the obstacles.

PM: Yes but you see if those Wages Councils. Look there are three sorts of people on them, the employers, the trade unions and independent, you know if those Wages Councils took into account what we are saying to them they would set the wages of young people rather lower. Now one of the unions, the electricians union has set the wages for apprentices much lower than they were, I think something of about 60% of the average adult wage down to about 20-30%. The number of apprentices has gone up enormously so even within the Wages Council structure they could cope with it but nevertheless we are concerned about the structure because I remember being over in Geneva and asking them at the ILO, look please can we opt out of Wages Councils for young people only and they said no. Well I don't want to go any further because there will be a statement coming out about Wages Councils but we are very much aware of the point and you are right, if they fix the wages for young people too high, those young people are not getting jobs. And this is one of the reasons why we have got a very bug youth training scheme and we're doubling it, we're doubling it because that really does give young people an opportunity.

Q: Prime Minister can we just stay here a moment with Wages Councils because I find it tremendously interesting. Can you give me a pledge that you will abolish Wages Councils.

PM: Look I can give you a pledge that there is a statement coming out about Wages Councils but I'm sure you'll understand that I can't make it on television before it's made to Parliament.

Q: Would you expect me to be pleased at what I might read in that statement ?

PM: I think you'll find that the statement will be very realistic and sensible.

Q: We are hoping to see some more deregulation in the private sector and perhaps less energy spent on the government financing schemes to reduce unemployment. Now is the Government going to substantially amend the Employment Protection Act substantially amend the Health and Safety Regulations so they are appropriate to the needs of small firms.

PM: Now you know that we have done quite a bit on what is called, I think misnamed, Employment Protection Act, quite a bit particularly as far as the small business is concerned because we found that people were afraid to take extra employees because they are then hauled, if they have found that the employees are not good or all of a sudden that they have to reduce the numbers, we found that they were hauled before some of the tribunals, the time it took really was dreadful. So we've already done more than the small businesses realise on that. On health and safety you have to look very carefully to what regulations you can reduce because obviously you must keep the safety, the safe conditions under which people work.

Q: But a lot of them are inappropriate .....

PM: Some of them are and we are also having a look at those.

Q: Prime Minister, we seem to agree on an awful lot so I find it a bit worrying that I still feel that we don't seem to get the politics to fulfill the things that both you and I agree on, which is free enterprise, individual freedom and less state control, there seems to be a bit of a gap there.

PM: No, we have in fact done quite a lot of deregulation, I was indicating on the Employment Protection Act, planning actually is going through much much faster, the tremendous denationalisation, the changes in industrial relations and just let me indicate what we've done for business in knocking-off completely a national insurance surcharge, that was a tremendous burden on them. And we are having a look at a total reform of rates, everyone wants it, it's very very difficult to get them to agree on what they want. But the ..... and of course we have altered the whole structure of corporation tax, so that if you do make a good

profit you shall be able to keep a bigger percentage of it. We have about 140,000 more businesses than there were when we came into office. Now we are going to have to go on with special measures for unemployment for a reason which I'm sure you know. Not only can we produce more goods with your people because of technology but because of the way the birth rate went about ten years ago, the working population is getting bigger and bigger. Indeed, there are 1.1 million people in the population of working age than there were five or six years ago so in fact we've had to produce that many more jobs just to stand still on unemployment, now that position reverses at the end of this decade because of the way again the birth rate went. And so the working population at the end of this decade gets smaller and the number of people retiring gets bigger and then the chances for jobs should be much better so until we get there we really have got to help out through this interim period with training for young people and also with helping with people who've been unemployed for quite a time, we do that as you know on giving them worth while jobs on a community programme. But the increase in the working population which is still going on reverses in three or four years time.

Q: Prime Minister can I just quickly put my question another way. A lot of other journalists and people are saying that since Brecon and Radnor the Government is going to put on a more moderate and cautious face. Now what's worrying the few journalists that support you and people who voted for you is the reason we lost Brecon and Radnor is because the Government has been too cautious, we haven't been radical enough. Now what I'm looking for is the Mrs Thatcher of 1979, I'm looking for that return of the spirit of radicalism that we voted for.

PM: Well, we have been quite radical. Trade unions, we've been very radical in the views we've taken in the legislations we've brought forward and we've brought it forward step by step and have achieved great things and most trade unionists are with us because they don't like being pushed around by trade union bosses, that is very radical. Yes we have done quite a bit, deregulation. Yes we have taken off tax on industry. Yes we have done denationalisation. Yes we have record owner occupation and we still indeed want it higher. Yes we have thoroughly efficient industries.

Q: .....Thank you very much.

CONFIDENTIAL



file  
66

10 DOWNING STREET

From the Private Secretary

16 July 1985

Dear Rob,

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

The Prime Minister has seen your letter to me of 12 July and was content with the proposed terms of reference of the Committee to review the role, structure and staffing of the UGC. Before a decision is taken on the Chairman, she would like to know who your Secretary of State has in mind for the other Members of the Committee. She wants to be sure that, as a whole, it will be a group which is likely to approach the task energetically.

1 BF

I am copying this letter to Rachel Lomax (H M Treasury), Geoff Dart (Department of Energy), John Graham (Scottish Office), Colin Williams (Welsh Office), Steve Godber (Department of Health and Social Security), John Mogg (Department of Trade and Industry), Jim Daniell (Northern Ireland Office), Paul Thomas (Chancellor of the Duchy of Lancaster's Office), and Richard Hatfield (Cabinet Office).

Yours sincerely  
Andrew Turnbull

ANDREW TURNBULL

R L Smith, Esq  
Department of Education and Science

CONFIDENTIAL

MR TURNBULL

15 July 1985

REVIEW OF UNIVERSITY GRANTS COMMITTEE

A review of the UGC is urgently needed. If there has to be such a body at all, then it should at least be efficiently run - which is certainly not the case at present.

The terms of reference proposed by DES seem unexceptionable.

The selection of Lord Croham as Chairman seems unlikely to produce startling results. We would prefer a more youthful and energetic figure, such as John Ashworth. But all may be well if the other members of the Committee are vigorous, and if they are not burdened by assessors representing departmental vested interests.

We recommend that the Prime Minister should ask DES to identify the candidates for membership, and to outline the arrangements for assessors, before agreeing to the appointment of Lord Croham.

*OL*

OLIVER LETWIN

Prime Minister ①

- (i) Content with terms of reference?
- (ii) Content with Chairman? or
- (iii) Prefer to delay decision on Chairman until you see candidates for assessors?

AT  
15/7



CONFIDENTIAL



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

NBPM

The Rt Hon Viscount Whitelaw  
Lord President of the Council  
68 Whitehall  
LONDON SW1

15 July 1985

*Jan Wilkie*

**GRANT AIDED SCHOOLS**

I enclose a paper which I have shown the Prime Minister. She has asked me to discuss it with those colleagues most closely interested and to report the outcome to her.

The proposal in the paper - to work towards a statement that we intend in the next Parliament to cause the setting up, on an experimental basis, of new independent primary schools financed mainly by the holder of my office - is clearly very sensitive politically. The purpose of the meeting would be to consider the political and financial aspects with a view to a decision whether to proceed, in confidence, with the necessary further work on the proposal's feasibility.

On the assumption that you, and those to whom I am copying this letter and the paper, will wish to come to the meeting I shall ask my private secretary to canvass dates if possible before the Summer Recess.

Copies go to Nigel Lawson, Nicholas Edwards, George Younger, John Biffen, Patrick Jenkin, Norman Tebbit, David Young and John Selwyn Gummer; and, for information, to the Prime Minister. I am also sending a copy to Sir Robert Armstrong

*Emma Kenyon*

CONFIDENTIAL

DRAFT

C O N F I D E N T I A L

Grant-aided primary schools

Memorandum by the Secretary of State for Education and Science

1. I ask my colleagues to agree that I should pursue the feasibility of a controversial experiment, designed to help raise standards in primary education, with a view to announcing in our next Election Manifesto our intention to implement it in the next Parliament. If the experiment succeeded, some 2,500 more children than at present would go to good independent primary schools. Parental choice would be increased to that extent. Moreover it would then be open to us to apply the lessons and benefits of the experiment to a larger number of primary age pupils.
  
2. The proposal is to create a new category of grant-aided primary schools (GA schools), catering for day pupils aged 5-11, which would be privately owned, maintained financially by the Secretary of State and run on principles and lines approved by him. GA schools would be part of the independent sector, but pupils educated in them would normally proceed to LEA-maintained secondary schools. They would be intended as a half-way house between the maintained and independent school sectors and a means of influencing the nature and quality of the maintained sector in the long term.
  
3. The purpose of GA schools would be to experiment with the circumstances in which a curriculum based on the policies in the recent White Paper "Better Schools" (Cmnd 9469) could be effectively delivered by qualified teachers to children throughout the ability range. One experimental feature of GA schools would be that all parents, except the poorest, would pay a fee of, say, £50 a term as an earnest of their commitment to their children's education and to the school. Other areas

for experiment would include the teachers' pay (freeing the schools from the constraints of the Burnham scales), pupil teacher ratios and class sizes, teaching approaches and methods.

4. So that such experimentation remained relevant to the generality of primary schools, GA schools (1) would be obliged to admit children from their neighbourhood without regard to ability or religious denomination; and would (2) receive from the Secretary of State for their current expenditure in respect of each pupil sums corresponding to the national average current expenditure per primary pupil (including debt charges) incurred by LEAs, with perhaps some local adjustment to reflect eg inner-city factors. The income from fees would be additional but GA schools would not be allowed to charge more than the prescribed fee, although, like LEA-maintained schools, they could receive voluntary contributions from parents and others; (3) would also be required to admit as soon as practicable not less than about 200 pupils, the minimum desirable size for an educationally effective primary school proposed in "Better Schools"; (4) would through their proprietors be responsible for all capital expenditure, though their income from grant and fees could be used to service it.

5. Since existing successful independent schools would scarcely wish to become financially dependent on the Secretary of State, and unsuccessful ones are unlikely to merit his support, GA schools would be new creations. It would be difficult under the scheme to earn a commercial return on capital invested in a GA school, so that GA schools are more likely to be promoted by a charitable trust, particularly one with experience in running schools, than by an entrepreneur. By encouraging the establishment of GA schools in any part of the country, including city areas where parents are dissatisfied with LEA-maintained primary schools, one might aim at setting up some 12 schools initially.

6. The financial support required from the Secretary of State for 12 GA schools of at least 200 pupils each would be of the order of £2m a year, but the cost could be greater if the schools

attracted more pupils than the minimum or were situated in high-cost inner city areas, or took a long time to reach the minimum (see para 8 (3) below). We would need to consider how to find this money in the appropriate public expenditure survey; but the costs could not be offset by savings in LEA-current expenditure, since LEAs could not quickly secure from the places not taken up by the pupils in question savings which would match the cost of each place at a GA school.

7. Since GA schools would be substantially maintained with voted money, the Secretary of State would have to satisfy himself and Parliament, in an atmosphere of controversy, that they would, and actually did, spend the money effectively and secured the standards laid down by him. The arrangements for achieving these objectives would make significant extra calls on DES manpower, including HMI, which could not be met within existing limits.

8. As the main paymaster, the holder of my office would be investing a good deal of political credit in "his" GA schools. The success of the experiment would depend critically on:

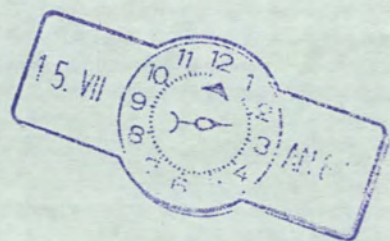
- (1) The effectiveness of the likely opposition from LEAs and teachers who would, for example, resent the application to the independent sector of money which they would claim could be better applied to the maintained sector in the interest of raising standards.
- (2) The willingness of promoters to risk money and enter into a politically controversial scheme. We could not guarantee them against the political risk that a hostile Government might abandon the scheme, though we could make abandonment more troublesome for such a Government by promoting the scheme under primary legislation; such legislation is not technically necessary because the scheme could almost certainly be operated through regulations made under existing powers.
- (3) The ability of the Secretary of State to pick for support proposals which would actually result in good

schools - the quality of the head teacher would be crucial. Once he had committed himself to supporting a school, he would in practice find it difficult to withdraw support unless its likely failure to achieve the required size and quality become indisputable; as long as there was a prospect of its becoming successful, the Secretary of State might not be able to avoid giving additional financial support in order to prevent the collapse of a promising project.

9. Since the success of this experimental scheme would then justify its wider application, we would have to be ready to defend our intention of so applying it if it were indeed successful. The public debate about the scheme would therefore relate to such matters as the desirability of extending the independent sector by centralist means and of charging a fee for a State-maintained school. We need to consider the compatibility of the scheme and its wider application within our other educational policies and our policies for local government.

10. In my view, we cannot decide definitively whether to go ahead with an experimental scheme of GA schools until we have explored its feasibility further. Such exploration would require fairly detailed discussions with possible promoters, which in their interest and for the sake of the scheme should at present be conducted in confidence. I have taken preliminary soundings, in strict confidence, from the Haberdashers Company, who run primary and secondary schools in the independent sector and are also responsible for voluntary aided schools in the maintained sector. Their initial reaction suggests that charitable bodies like themselves might be willing to promote and operate GA schools despite the political risk if the terms were right. I would like to pursue the matter with the Haberdashers Company (and probably others) in more detail. But I do not think it right to draw them into substantive discussions, although these would remain without commitment on either side, unless I could tell them that, subject to feasibility, the Government wished to proceed along the lines set out in this paper.

11. I therefore invite my colleagues to agree that the scheme outlined above is acceptable in principle; that I should pursue its feasibility on the basis set out in para 10; and that I should report the outcome to enable us to decide whether to proceed with it. If we proceeded and the experiment proved successful, I envisage the introduction of an analogous scheme for raising standards in secondary education. The much greater scale and complexity of launching new secondary schools make it desirable to experiment with primary schools in the first instance.





DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000  
FROM THE SECRETARY OF STATE

D/F will be response  
15/7

Would have been better to have someone like Robin Uss in the chair

12 July 1985

Dear Andrew,

The present proposals do not give rise to much confidence

REVIEW OF THE UNIVERSITY GRANTS COMMITTEE

The report of Sir Alex Jarratt's steering committee on efficiency studies in the universities recommended amongst other things that the Government should commission an examination of the role, structure, and staffing of the UGC. The Green Paper on higher education (Cmnd 9524) published in May announced the Government's acceptance of this recommendation and said that the form and terms of reference of the review would be announced shortly (paragraph 8.5).

This letter seeks the agreement of the Prime Minister and the Secretary of State's colleagues to an early announcement of the terms of reference and chairman of the review committee. Membership of the committee can be announced later in the month after further consultation with the Chairman and the Secretary of State's Cabinet colleagues. Sir Keith proposes that the review should be carried out by a small committee (no more than 8, including the chairman), but with the committee probably commissioning management consultants for detailed studies of the UGC's internal structure, functioning and staffing.

The committee would be appointed jointly by the Secretary of State for Northern Ireland and the Secretary of State for Education and Science as the two members of the Cabinet with university responsibilities. The terms of reference would be:

"To review, within the context of expected developments in higher education, the University Grants Committee's constitutional position and role in relation to the

/Government

Andrew Turnbull Esq  
Private Secretary  
10 Downing Street  
LONDON SW1



Government and to the universities, its membership, its internal structure and working methods, and its secretariat."

The Secretary of State has it in mind to supplement the terms of reference with a more detailed letter of guidance to the committee, which would be published. (This was the course followed with the Lindop Committee on Academic Validation in Public Sector Higher Education, whose report was published in April as Cmnd 9501.) The letter would make it clear that the review should consider the role of the UGC in relation to the general economic background and, in particular, in guiding universities in relation to perceived industrial and commercial needs. We shall of course be consulting other Departments on the terms of such a letter.

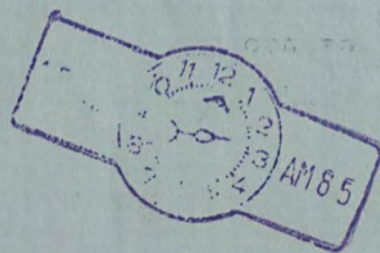
The Secretary of State would like to appoint Lord Croham as chairman of the committee. Lord Croham has indicated his willingness to accept the appointment if it is offered. Now that he is leaving the chairmanship of BNOC he will be able to devote the necessary time to the task and from David Hancock's discussions with him it is clear that he would approach it with enthusiasm.

If the Prime Minister is content with the appointment of Lord Croham, and with the proposed terms of reference, these will be announced as soon as possible. The Secretary of State would then consult his colleagues and Lord Croham about the membership of the committee with a view to announcing that before the summer recess, to allow the committee to start work in the early autumn.

I am copying this letter to the Private Secretaries of the Chancellor of the Exchequer, of the Secretaries of State for Energy, Scotland, Wales, Social Services, Trade and Industry, and Northern Ireland, of the Chancellor of the Duchy of Lancaster and of the Secretary of the Cabinet.

*Yours sincerely*  
*R L Smith*

R L SMITH  
Private Secretary



(41) SKW

CC Mr. Butler

MR. LETWIN

EDUCATION SEMINAR

BM  
We have now fixed this for the evening of Wednesday, 2 October, with the Prime Minister's agreement. We envisage the seminar lasting for two hours from 1700 to 1900 after which the participants would retire for drinks for another hour or so.

You are considering, in consultation with DES, a list of those who might be invited, which we shall then need to clear with the Prime Minister. As you know, the Prime Minister believes the Centre for Policy Studies should be consulted about those who might be asked to participate and you will be taking this on board. The two particular names she mentioned to me were Baroness Cox (who I am sure is already on your list) and Mr. Ray Honeyford.

(MARK ADDISON)

10 July 1985

~~Caroline~~  
Caroline pl book a slot in the diary. I will then write to Oliver L.  
MEAT 1700-2000 MEAT 10/7  
0 - wed 20th. CRZ

PRIME MINISTER

EDUCATION SEMINAR

There seems to be only one date on which we could fix this before the recess, and that is Monday 29 July. You have a dinner that night with Mr and Mrs Peter Cadbury, but it should be possible to arrange a two hour seminar followed by three-quarters of an hour afterwards, before you went on to the dinner. On the other hand, a July date would not give the other participants much time, and attendance might be rather patchy as a consequence.

The alternative would be to go for October. Any of the three days Tuesday 1 October, Wednesday 2 October and Thursday 3 October would do. Of course you will need to set aside quite a bit of time during this period for work on your Party Conference speech, but so far these days are reasonably clear (the only engagements fixed are a visit to the Rutherford Appleton Laboratory on the morning of Tuesday 1 October and Cabinet on Thursday 3).

Which would you prefer July or October?

Duty Clerk  
M.A.  
Mark Addison

October  
— m

9 July 1985

E. R.

- 1- Rose - on X No
- 2- The ~~press~~ / Addison  
 Can you pl. organize Y?



BERNARD

Y

Sir Robin Nicholson wondered whether you could ask DES to brief on the second question, sending the briefing to Sir Robin by close of play tomorrow evening. He will then incorporate this briefing into his briefing for questions 1 and 3.

X

He also wondered whether the Prime Minister had given Mr Maddox a previous interview.

I have asked DES &  
 informed RN's office.  
 MBT 5/7

Rose

1. How does the Prime Minister fulfil her role, as she sees it, of supervising the science as a human activity? This question stems from the fact that Mr Maddox alleges that in her reply to the House of Lords Select Committee, which advocated the appointment of a Science Minister, the Prime Minister replied that this was not necessary because she herself was a scientist.

2. There is very considerable concern, which Mr Maddox shares, about the spending on pure research in our universities. What has the Prime Minister to say about this? Does she think the declining spend is adequate?

3. To what extent will the trouble last weekend at the European Council in Milan affect technical and scientific collaboration in Europe, and more especially the EUREKA programme.

NOTE FOR THE FILE

GRANT-AIDED PRIMARY SCHOOLS

Elizabeth Hodgkinson explained to me that Sir Keith Joseph was hoping the Prime Minister would take the lead in encouraging colleagues to line up behind his proposal for grant-aided primary schools. In particular, she was concerned that the business managers of the Party should be squared.

I said we should be happy to arrange a meeting to be chaired by the Prime Minister in due course if that proved necessary, either because the substance of the proposal could not be agreed, or because there were fundamental disagreements between colleagues on handling. For the moment, however, we thought it best that Sir Keith should take his proposal forward, just as he had done with the working group on student support.

Elizabeth Hodgkinson said she would come back to us if she envisaged difficulties.

*MIA*

MARK ADDISON

28 June 1985

CONFIDENTIAL

SL3 AHL



B/c: Mr Letwin

10 DOWNING STREET

25 June 1985

*From the Private Secretary*

**GRANT AIDED PRIMARY SCHOOLS**

Your Secretary of State wrote to the Prime Minister on 7 June seeking her agreement that he should pursue the proposal for grant aided primary schools with colleagues. In response to a query from the Prime Minister, he subsequently wrote again on 19 June, explaining why the proposal was restricted to primary schools.

The Prime Minister is now content that your Secretary of State should circulate his proposal to colleagues. She believes that it should be made clear that primary schools should be seen as a first step only, and that consideration should be given to including secondary schools as well if the experiment proves successful.

(Mark Addison)

Miss Elizabeth Hodkinson,  
Department of Education and Science

CONFIDENTIAL

(DES ref 2576)



PRIME MINISTER

GRANT AIDED PRIMARY SCHOOLS

You asked why Sir Keith Joseph's proposal to look at the idea of grant aiding schools, with a view to putting something in the next Manifesto, should be restricted to primary schools. His original note is at Flag A, the Policy Unit advice on it at Flag B.

Sir Keith's response is at Flag C. Further Policy Unit comments at Flag D. Basically, Sir Keith is saying that if the idea were extended to secondary schools at this stage it would be difficult to attract sufficient promoters. It would also be considerably more controversial because the secondary schools would probably have to be operate a selective system.

Content with the Policy Unit advice that you should agree to Sir Keith circulating his proposals to colleagues, on the understanding that primary schools should be seen as a first step only, and that consideration should be given to including secondary schools as well, if the experiment proved successful?

Yes no

Malcolm Addison

21 June 1985

PRIME MINISTER

20 June 1985

GRANT-AIDED PRIMARY SCHOOLS

Keith Joseph now seems to be suggesting that establishing grant-aided schools might be just a first step, with secondary schools coming later. This sounds a sensible idea.

We recommend that you should agree to Keith circulating his proposals to colleagues, on the understanding that:

1. the introduction of first-rate grant-aided primary schools would be a first step;
2. this would be pushed forward as fast as possible;
3. the manifesto might contain a promise to move into the secondary phase, once the primary schools had been successfully established.

*Oliver Letwin*

OLIVER LETWIN



IN THE MATTER OF

THE EDUCATION ACT

GRANT-AIDED PRIMARY SCHOOLS

The Education Act, 1944, provides that the Secretary of State may make regulations for the grant-aided primary schools. The regulations may provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of teachers.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of headteachers.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of governors.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of members of staff.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of members of the governing body.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of members of the governing body.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of members of the governing body.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of members of the governing body.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of members of the governing body.

The regulations may also provide for the grant-aided primary schools to be subject to the same provisions as the grant-aided secondary schools in relation to the appointment and removal of members of the governing body.

**CONFIDENTIAL**

CCOL

BF / Await Policy Unit note.  
OL will report.  
Mon 19/6

PRIME MINISTER

**GRANT-AIDED PRIMARY SCHOOLS**

1. You asked why the proposal which I sent you on 7 June is limited to primary schools.
2. I decided that it would be wise to make a start with the primary sector for a number of reasons. We are already promoting independent education and choice in the secondary phase through the assisted places scheme. To launch grant-aided schools would be a much bigger and more uncertain operation in the secondary than in the primary sector. To set up five 11-18 comprehensive schools of the size needed for a good but cost-effective curriculum might cost £7m a year or more in public expenditure. To set up new schools of this size would be a far more hazardous operation for the promoter than in the primary sector, not least at a time when secondary rolls will be falling and they would be complicating the rationalisation of secondary provision undertaken by the LEAs.
3. One way of making the establishment of grant-aided secondary schools less hazardous for the promoter would be to allow the school to be selective: in areas where all secondary schools are comprehensive, a significant number of parents would be attracted by a new grammar school. I rejected this possibility because it would involve the holder of my office financing a reintroduction of selection which the LEA itself had not proposed, though it is free to do so. Such a step would conflict with our policy of not imposing a particular pattern of secondary schools on LEAs. It might be worth facing the controversy that would result if we were contemplating a substantial introduction of selection but scarcely for a handful of schools.
4. These considerations would look quite different once we had made a successful start on experimental grant-aided schools in the primary sector. But I judged that we would do well not to apply the idea to the secondary sector until we knew that it would work in the primary phase.

KJ

KJ

19 June 1985

R 1976

Policy : EDUCATION

A 5

EA to supply a note  
re why proposal  
cover primary schools.  
O/Lanvane. MEA 11/6

Prime Minister.

Agree that Sir Keith's proposal should  
now go to ministers?

MEA 10/6

Why primary  
schools only?

PRIME MINISTER

10 June 1985

CB1

GRANT-AIDED SCHOOLS

Keith Joseph wants to include a proposal to establish 12 new grant-aided primary schools in the next manifesto. The schools would be:

- privately owned
- endowed with privately raised capital
- non-selective (both academically and religiously)
- funded for running costs by the DES (with each school receiving the national average cost per pupil plus an inner city supplement if necessary)
- entitled to charge fees of up to £50 per term for all except the poorest pupils
- free to arrange their own teaching methods, pay scales, class sizes etc

The proposal is well worth considering. Such grant-aided schools would provide parents with more choice and help to break down the barriers between the maintained and independent sectors. They could be both popular in themselves, and a useful tool for winking out the Opposition's distrust of choice.

It is a pity that the proposals are restricted to primary schools, and that there is no intention to act before the next election. But these points can be dealt with in the course of Ministerial discussion.

We recommend that you should welcome Keith's minute and agree to its being brought before colleagues. There is only one caveat: all subsequent papers should be kept thoroughly bland, to prevent the idea seeming exciting and leak-worthy.

*Ol Letwin*

OLIVER LETWIN

CCOL

PRIME MINISTER

## GRANT-AIDED PRIMARY SCHOOLS

1. As you know, I have been considering the possibility of our introducing in the next Parliament an experimental scheme for primary schools maintained by the holder of my office. The attached paper briefly outlines the concept. It has so far been considered only within my Department, and tested provisionally by a tentative and strictly confidential oral approach on practicalities to the Haberdashers Company.
2. Would you now like me to pursue the proposal further with some of our colleagues, with a view to putting something in our next manifesto? As the paper explains, I cannot get much further without some more advice on practicalities from the Haberdashers. But I judge it wrong to draw them into more detailed discussions unless the proposal is supported in principle by the Government.
3. If you agree that the proposal deserves support, you may care to have my paper considered by an appropriate group of Ministers.

KJ.

KJ

7 June 1985



DRAFT

C O N F I D E N T I A L

Grant-aided primary schools

Memorandum by the Secretary of State for Education and Science

1. I ask my colleagues to agree that I should pursue the feasibility of a controversial experiment, designed to help raise standards in primary education, with a view to announcing in our next Election Manifesto our intention to implement it in the next Parliament. If the experiment succeeded, some 2,500 more children than at present would go to good independent primary schools. Parental choice would be increased to that extent. Moreover it would then be open to us to apply the lessons and benefits of the experiment to a larger number of primary age pupils.

2. The proposal is to create a new category of grant-aided primary schools (GA schools), catering for day pupils aged 5-11, which would be privately owned, maintained financially by the Secretary of State and run on principles and lines approved by him. GA schools would be part of the independent sector, but pupils educated in them would normally proceed to LEA-maintained secondary schools. They would be intended as a half-way house between the maintained and independent school sectors and a means of influencing the nature and quality of the maintained sector in the long term.

3. The purpose of GA schools would be to experiment with the circumstances in which a curriculum based on the policies in the recent White Paper "Better Schools" (Cmnd 9469) could be effectively delivered by qualified teachers to children throughout the ability range. One experimental feature of GA schools would be that all parents, except the poorest, would pay a fee of, say, £50 a term as an earnest of their commitment to their children's education and to the school. Other areas

for experiment would include the teachers' pay (freeing the schools from the constraints of the Burnham scales), pupil teacher ratios and class sizes, teaching approaches and methods.

4. So that such experimentation remained relevant to the generality of primary schools, GA schools (1) would be obliged to admit children from their neighbourhood without regard to ability or religious denomination; and would (2) receive from the Secretary of State for their current expenditure in respect of each pupil sums corresponding to the national average current expenditure per primary pupil (including debt charges) incurred by LEAs, with perhaps some local adjustment to reflect eg inner-city factors. The income from fees would be additional but GA schools would not be allowed to charge more than the prescribed fee, although, like LEA-maintained schools, they could receive voluntary contributions from parents and others; (3) would also be required to admit as soon as practicable not less than about 200 pupils, the minimum desirable size for an educationally effective primary school proposed in "Better Schools"; (4) would through their proprietors be responsible for all capital expenditure, though their income from grant and fees could be used to service it.

5. Since existing successful independent schools would scarcely wish to become financially dependent on the Secretary of State, and unsuccessful ones are unlikely to merit his support, GA schools would be new creations. It would be difficult under the scheme to earn a commercial return on capital invested in a GA school, so that GA schools are more likely to be promoted by a charitable trust, particularly one with experience in running schools, than by an entrepreneur. By encouraging the establishment of GA schools in any part of the country, including city areas where parents are dissatisfied with LEA-maintained primary schools, one might aim at setting up some 12 schools initially.

6. The financial support required from the Secretary of State for 12 GA schools of at least 200 pupils each would be of the order of £2m a year, but the cost could be greater if the schools

attracted more pupils than the minimum or were situated in high-cost inner city areas, or took a long time to reach the minimum (see para 8 (3) below). We would need to consider how to find this money in the appropriate public expenditure survey; but the costs could not be offset by savings in LEA-current expenditure, since LEAs could not quickly secure from the places not taken up by the pupils in question savings which would match the cost of each place at a GA school.

7. Since GA schools would be substantially maintained with voted money, the Secretary of State would have to satisfy himself and Parliament, in an atmosphere of controversy, that they would, and actually did, spend the money effectively and secured the standards laid down by him. The arrangements for achieving these objectives would make significant extra calls on DES manpower, including HMI, which could not be met within existing limits.

8. As the main paymaster, the holder of my office would be investing a good deal of political credit in "his" GA schools. The success of the experiment would depend critically on:

- (1) The effectiveness of the likely opposition from LEAs and teachers who would, for example, resent the application to the independent sector of money which they would claim could be better applied to the maintained sector in the interest of raising standards.
- (2) The willingness of promoters to risk money and enter into a politically controversial scheme. We could not guarantee them against the political risk that a hostile Government might abandon the scheme, though we could make abandonment more troublesome for such a Government by promoting the scheme under primary legislation; such legislation is not technically necessary because the scheme could almost certainly be operated through regulations made under existing powers.
- (3) The ability of the Secretary of State to pick for support proposals which would actually result in good

schools - the quality of the head teacher would be crucial. Once he had committed himself to supporting a school, he would in practice find it difficult to withdraw support unless its likely failure to achieve the required size and quality become indisputable; as long as there was a prospect of its becoming successful, the Secretary of State might not be able to avoid giving additional financial support in order to prevent the collapse of a promising project.

9. Since the success of this experimental scheme would then justify its wider application, we would have to be ready to defend our intention of so applying it if it were indeed successful. The public debate about the scheme would therefore relate to such matters as the desirability of extending the independent sector by centralist means and of charging a fee for a State-maintained school. We need to consider the compatibility of the scheme and its wider application within our other educational policies and our policies for local government.

10. In my view, we cannot decide definitively whether to go ahead with an experimental scheme of GA schools until we have explored its feasibility further. Such exploration would require fairly detailed discussions with possible promoters, which in their interest and for the sake of the scheme should at present be conducted in confidence. I have taken preliminary soundings, in strict confidence, from the Haberdashers Company, who run primary and secondary schools in the independent sector and are also responsible for voluntary aided schools in the maintained sector. Their initial reaction suggests that charitable bodies like themselves might be willing to promote and operate GA schools despite the political risk if the terms were right. I would like to pursue the matter with the Haberdashers Company (and probably others) in more detail. But I do not think it right to draw them into substantive discussions, although these would remain without commitment on either side, unless I could tell them that, subject to feasibility, the Government wished to proceed along the lines set out in this paper.

11. I therefore invite my colleagues to agree that the scheme outlined above is acceptable in principle; that I should pursue its feasibility on the basis set out in para 10; and that I should report the outcome to enable us to decide whether to proceed with it.

E 7 JUN 1985

11 12 11  
10 1 2  
9 0 3  
8 9 4  
7 6 5

HMI EXPENDITURE REPORT FOR 1984

1. The Report by HMI "On the Effects of Local Education Authority Expenditure Policies on Education Provision in England - 1984" was published on Thursday 23 May 1985.
2. This is not a report by Government, it is a report to Government (both local and central) by the HMI. It is compiled by the HMI from their observations of schools and colleges during the course of visits made in the autumn term of 1984, and it covers all LEAs in England (not Wales) with the exception of the Isles of Scilly, 96 LEAs in all.
3. At one time, such reports were not published, but were retained as a confidential report to the Government. It was Mark Carlisle in the 1979/83 Conservative Government who decided to publish the annual HMI Expenditure Report. One consequence of this, however, is that our opponents, who did not publish the reports in their time, can quote selectively from the report and use it as a stick to beat us with. They can pick out the bits where improvement is needed and ignore the bits where improvement has already taken place. They can make selective quotations to prove that more money is needed; taken as a whole, it is a balanced, impartial assessment of the current state of affairs, and ought to be presented and considered as a whole and not selectively.

4. Finance

The most important aspect of the report is of course not only money, but how the money is used. How are the "resources" being made available for education actually being used? Are they being used as effectively as they could be? And the answer of course is no, not entirely. That judgement is made several times in the report.

5. This year there is a statement within the report which relates the level of funding to the quality of work produced. Inevitably it will be mis-quoted and mis-interpreted as suggesting that the more money is spent the better the education would be. It does not in fact say that, and it is worth therefore quoting in full:-

"Indeed, there are too many variables combined in different ways in different situations for any direct cause or relationships to be claimed between the quality of work and the expenditure on education, although the evidence revealed a statistically significant association between satisfactory or better levels of resource provision and work of sound quality. In this complex relationship, the central importance of the quality of teaching is clear."

And again elsewhere in the report:-

"... there is a statistically significant association between satisfactory or better levels of resource provision and work of sound quality, and between unsatisfactory levels of provision and poor quality work."

And again:-

"It cannot be said too often that the relationship between the levels of educational expenditure by LEAs and the quality of the education provided in individual institutions is neither simple nor direct."

Which, if fairly interpreted, means there has to be enough money spent to get good quality work; that if not enough money is spent then you get poor quality; but that spending more money does not necessarily improve the work done; and even when enough money is spent there are many other factors to be got right before the quality of the work is acceptable.

## 6. Progress, 1983/84

There has been little change, the report says, in the overall resource provision made for education by the large majority of LEAs for 1984 compared to the previous year. In schools there was modest further improvement in pupil teacher ratios, in the number of advisers, and in the provision of books. Further and higher education was, as before, generally better provided for than the schools.

NAFE (Non-Advanced Further Education) had enough resources to respond to the changing needs and demands.

AFE (Advanced Further Education) had enough to provide for further increases in the total number of students and to change the emphasis of certain courses.

## 7. Schools

In just over three-quarters of all the lessons in all types of schools seen by HMI, the quality of provision was satisfactory or better.

In just over four-fifths of those lessons, pupils response was satisfactory or better.

In nursery provision, four-fifths of the lessons were satisfactory or better but in top juniors, less than two-thirds.

In secondary, over four-fifths for the 16-19 year olds were satisfactory, but only just over two-thirds of the lessons for the 13 year olds were judged satisfactory.

## 8. Range of Abilities

In several places in the report, the disadvantages of attempting to teach a wide ability of children within the same class is emphasized.

"In all schools the quality of the work with pupils of below average ability was yet again the least satisfactory. The necessary differentiation of provision according to ability and aptitude was poorest when the teaching groups consisted of pupils of a wide range of abilities."

"In those primary and secondary school classes where pupils were grouped in one way or another according to ability, nearly nine-tenths of lessons for the most able were judged as satisfactory or better, whereas the equivalent proportion for lessons for the least able was considerably lower at just over two-thirds."

## 9. Teachers

The number of teachers in 1983/1984 decreased by 1.5% to 403,800 in the maintained sector, but over the same period the number of children decreased by 2.1%, and so there has been a further improvement in the pupil teacher ratio.

The overall number of teachers, HMI say, is "adequate for the work being undertaken". (para 11 of the report)

However there remain shortages of sufficient teachers in CDT (Craft Design and Technology), mathematics, and physical sciences.

There is frequently a mis-match between the teachers specialist subjects and the subjects being taught.

There is an unacceptably wide range and variation in pupil teacher ratios both between and within the LEAs.

In-service training provision is there and is increasing, but it is not as well matched as it could be to the needs of the schools and of the teachers themselves.

Levels of teaching staff in the AFE are adequate, and in NAFE generous.

## 10. Books

There has been a slight improvement in the provision of books, with much of the increased expenditure being used to replace old stock and make good long standing deficiencies.

This improvement follows similar improvements made every year since 1981.

Some schools, however, still have started from a very low base line, and thus still cannot replace old stock or introduce new books for new courses as much as they should.



### 11. School Premises

In primary schools unsatisfactory or unsuitable accommodation was the most common resources factor (even ahead of inadequate book provision) adversely affecting the quality of the work done. To a slightly less extent, the same comment on accommodation applies to the secondary and special schools.

"The most serious state of affairs is the deteriorating quality and appropriateness of accommodation in which pupils and students learn and teachers and lecturers work. There have been no significant improvements in schools and colleges generally since 1981 when we reported that school premises were less than satisfactory in 63 LEAs. Much of the nation's school buildings stock is now below an acceptable standard."  
"Rotting window frames, cracked walls and flaking plaster were all too common."

### 12. Equipment

There is a close relationship between the adequacy of the provision of equipment and the satisfactory nature of the lessons involving equipment.

The level of provision of equipment in primary schools was judged to be satisfactory in just over four-fifths of LEAs; for the 11-16 age group in just over two-thirds of LEAs, and for the 16-19 year olds, in three-quarters.

In special schools, equipment was judged by the HMI satisfactory in three-quarters of the LEAs.

In secondary schools, the most serious problem was the replacement of ageing costly equipment in science and CDT.

The provision of consumable materials was judged to be better than this, but there were still some deficiencies.

### 13. Special Schools

The special schools are included in this concern about accommodation, books and equipment. But additionally, the HMI says that there are worrying signs about the standards in some of the special schools.

### 14. Parental Contributions

Of the 96 LEAs, 4 oppose any kind of parental contribution; 22 oppose using such money for "basic items"; 2 LEAs positively encourage schools to attract parental contributions, and the rest of the LEAs, the majority, allow the schools their own discretion about contributions from parents and how they are used.

Financial contribution by parents is greater in primary schools than in secondary. In the majority of primary and the secondary schools the parental contribution amounts to £2 or more per pupil per year.

The most common use for parental contributions are for audio-visual equipment, computers, educational visits, library and reference books, mini buses, PE and games equipment, musical instruments, and reprographic equipment.

Parents also contribute in kind and with their time, again more in primary than in secondary schools, and this includes accompanying pupils on school visits, helping with reading, games and swimming, working in the library, and the conversion or decoration of the premises.

### 15. Leadership and Management

The HMI Report comments "The quality of the leadership and management offered by Heads, Principals, and by the local education authority was crucial to the capacity of individual institutions to organise, provide and develop a sound education. In almost one-third of the schools poor leadership and management were judged to be adversely affecting the quality of the work, the levels and deployment of resources and the take up of in-service training. In nearly half the schools visited, the organisation by teachers

of pupils learning, including relating work to the age, aptitude and ability of the pupils, was judged unsatisfactory in some lessons. The internal management of most further and higher education institutions has responded well to the new demands being placed upon the service but there were signs that many LEAs' management of the FHE system was hindered by lack of information arising in part from insufficient advisory support from FHE. This lack of information may impede their ability to manage necessary changes both within NAFE and between NAFE and schools."

#### 16. Conclusion

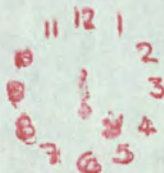
In all of this detailed comment about premises, books and standards of provision generally, the great emphasis remains the problem of poor teaching and poor management. In the complex relationship between quality of work and standards of provision, the report still says that "the central importance of the quality of teaching is clear".

The HMI Report concludes:-

"The picture for 1984/85 remains one of an education system that is managing to get by in terms of resources and where most of what goes on is of satisfactory or better quality. While both AFE and NAFE are better provided for and more bouyant, it does appear that the cumulative effects of some years of coping in this way are making themselves felt in the schools."

END

24 MAY 1985



Tim Plash

Keep  
for questions!

22 May 1985

MB

PRIME MINISTER

CF  
Pac copy  
OLs note

HMI REPORT ON EDUCATIONAL EXPENDITURE

As usual, the Report is fundamentally hostile. It will be taken as a further sign that we are not spending enough on schools. Among the criticisms are that:

1. "The low baselines that have applied for some years in certain LEAs mean that the small increases in resources are not sufficient to enable all their schools to respond to the various calls for change and development". (Para 6).
2. "There is a statistically significant association between satisfactory or better levels of resource provision and work of sound quality, and between unsatisfactory levels of provision and poor quality work". (Para 7).
3. "There remain shortages of sufficient teachers in some subjects, such as CDT, mathematics and physical science". (Para 11).
4. Books: "in some cases, particularly where the previous baseline was low, some schools are not able fully to replace old stock; in many more they have to choose between replacing old stock or equipping themselves with the books needed to introduce necessary new courses". (Para 12).
5. "The most serious state of affairs is the deteriorating quality and appropriateness of the accommodation ... the decorative state of the accommodation does little to create the kind of

decent and civilised environment usually associated with education ... Without urgent attention to these problems the cost of putting things right may become prohibitive". (Para 13).

6. "Of the resource factors associated with work judged less than satisfactory in the primary schools visited, the most common was unsatisfactory or unsuitable accommodation which adversely affected the work in some 800 lessons". (Para 17).
7. "At the secondary level, unsuitable accommodation, inadequate or insufficient equipment and furniture, and insufficient books were the resource factors most commonly restricting the quality of work". (Para 18).
8. "The present state of repairs in schools was judged to be less than satisfactory or poor in 57 LEAs ... the current programme of maintenance was judged to be less than satisfactory or poor in 65 LEAs". (Paras 48 and 50).

However, despite these adverse comments, the report makes a considerable number of helpful points. These include:

- a. "There were some further improvements in pupil/teacher ratios, in the number of advisers and in the provision made for books". (Para 6).
- b. "The overall number of teachers ... is adequate". (Para 11).
- c. "The provision for books in schools has improved slightly". (Para 12).

- d. "The overall staffing levels for nursery schools were judged satisfactory in 71 LEAs ... in relation to primary schools 80 LEAs were considered to have appropriate overall staffing levels ... for the 11-16 age range the overall staffing levels were regarded as appropriate ... in 80 LEAs". (Para 21).
- e. "20 LEAs improve their primary school pupil/teacher ratios by amounts ranging from 0.6 to 1.9 while 9 LEAs worsened their pupil/teacher ratios". (Para 25).
- f. "17 LEAs improved their secondary school pupil/teacher ratios by amounts ranging from 0.6 to 1.0 and 2 LEAs worsened their pupil/teacher ratios". (Para 26).
- g. "The level of provision of equipment in primary schools was judged to be satisfactory in just over four-fifths of LEAs; and for the 11-16 and 16-19 age groups it was similarly judged in just over two-thirds and three-quarters of LEAs respectively". (Para 63).
- h. "Further and higher education was again generally better provided for, in relation to its needs, than our schools; resources were broadly adequate to enable non-advanced further education to continue to adapt to changes in employment patterns, training needs and the nature of the student population, and for advanced further education to provide for some further increases in the total number of students and for some changes of emphasis in the courses offered". (Para 6).

In addition to these helpful comments, the Report contains a number of points which support Keith Joseph's emphasis on teaching quality, and his present attempts to introduce assessment for teachers.

1. "In all institutions the most crucial factor influencing effective learning was the quality of teacher". (Para 7)
2. "Not surprisingly, in almost all lessons where the quality of pupils' work was judged satisfactory or better, it was the high quality of teaching that was considered to be the most significant contributor". (Para 32).
3. "Overall, in all types of school there was a statistically significant association between work judged less than satisfactory and mismatch between the teachers' qualifications and experience and the work that they were undertaking". (Para 35) ...  
"For example, in one school only two of the five teachers of art had any recognisable qualifications in the subject and were clearly not confident in their grasp of the work; while in another school the teaching of woodwork, the responsibility of a PE specialist, was poor". (Para 34).

We recommend that if you are asked about the Report, you could use this as an opportunity for re-emphasising that teaching is the crucial point; that there are enough teachers, and ever better teacher-pupil ratios; and that the need is to improve teaching quality. This could enable you to keep Keith's recent White Paper and initiative on teachers' pay - rather than the HMI Report - at the top of the news stories.

*Oliver Letwin*

OLIVER LETWIN

## EDUCATION SECRETARY COMMENTS ON HMI REPORT

Commenting today on the report by Her Majesty's Inspectors on the effects which local authority expenditure policies were having on the education service in England, Education Secretary Sir Keith Joseph said:

"This year's report identified a range of factors which together contribute to the quality of the education in schools and colleges. These include the level and appropriateness of resources and their efficient management, effective leadership and, crucially, the quality of teaching. The interplay of these factors can only be grasped from the report itself, which deserves to be widely read. I draw attention here to a few main features.

HMI report that overall there were slight improvements in resource provision for education and, as last year, they judged that the quality of most work taking place throughout the system was satisfactory or better. They point to an improvement since 1983 in the pupil to teacher ratio in the schools, and to a continuing improvement in the supply of school books, albeit that provision remains unsatisfactory in some cases. There has been scope too for colleges of further education to respond to the changing needs of employment and to change the emphasis of courses on offer.

However, the report notes that the condition of many school and college buildings is deteriorating and provides an unsatisfactory environment for teaching and learning. This is the accumulated result of inadequate expenditure on the repair and maintenance of the building stock over many years.

If costs can be contained and savings made elsewhere for example in caretaking and cleaning where the Audit Commission report that savings were feasible - there

should be scope in the current financial year for some improvement in expenditure per pupil in many authorities both on the provision of books and on repairs and maintenance. An excessive pay settlement for teachers would once again put this improvement at risk.

Encouragingly the report notes that more LEAs are developing explicit and coherent management policies to meet the challenges of finite resources, falling rolls and school reorganisation. But it is clear that their example needs to be more widely followed. In particular there is scope for a still more vigorous approach to the removal of surplus places in order to improve the quality of the curriculum and at the same time release resources for in-service training, books and urgently needed repairs; and more cost-conscious and imaginative management could reduce the drain on education resources represented by the net cost of the school meals service. At the level of the school, it is disturbing that examples can be found of poor management resulting in resources not being directed to where they are most needed.

HMI found that the number of teachers employed was generally adequate for the tasks they were undertaking. It was the quality of teaching which, in the judgement of HMI, was of central importance to the quality of the work which they observed. Despite the good work of most teachers and the excellence of some, ineffective teaching is still too common. I am therefore glad that there is a clear message in the report that more and better targeted in-service training combined with redeployment of some teachers could help to improve the match between teachers' qualifications and experience and the job they are called upon to do, and their ability to perceive the educational needs and potential of pupils.



For the current financial year I have increased the grants available to local education authorities for in-service training in selected national priority areas. Additionally the MSC will administer an interim scheme of grants for in-service training to promote developments across the curriculum related particularly to the Technical and Vocational Education Initiative. For the longer term, we announced in the March White Paper "Better Schools" plans to legislate for a more coherent framework for the provision and development of in-service training."

21 MAY 1965

11 21  
2  
3

To ask the Secretary of State, when he expects to make available the report of HMI on the effects of local authority expenditure policies on the education service in England in 1984.

SIR KEITH JOSEPH

The HMI report on the observed effects of local authority expenditure policies on the education service in England in the autumn of 1984 has been published today. Copies are available in the Vote Office. This report, the fifth since this Government decided that HMI's findings should be published, should be read with attention by all of us concerned with the provision of education.



AT  
cc Whitelaw

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Rt Hon Viscount Whitelaw PC CH MC  
Lord President of the Council  
Privy Council Office  
68 Whitehall  
LONDON  
SW1A 2AT

Prime Minister.

To note that Sir Keith is publishing the report tomorrow, at 3.30 pm. It is, as usual, unhelpful. Policy Unit note is

21 May 1985

at Play A, the report at Play B, and Sir Keith's press note at Play C.

MEH 22/5

Dean Miller

You may recall that HM Inspectorate produces each year a report on the effects of local authority expenditure policies on the education service. Mark Carlisle - unlike his Labour predecessors - published the report and I have continued to do so. I recently received the HMI report on the effects in 1984 and have arranged for it to be published on Thursday 23 May.

I enclose a copy of the report for your information, together with copies of a Parliamentary written reply and of a brief statement that I intend to issue to the press. You will see that the report, like last year's, explores a range of factors which affect the quality of education. In particular, where education is unsatisfactory HMI has again referred to shortcomings in the teaching in schools and colleges as a key factor. The main emphasis, however, remains expenditure related and, although HMI noted some further slight improvements in the levels of appropriate resources in class and lecture rooms in Autumn 1983, there is a significant catalogue of deficiencies, particularly as regards school and college premises. Although, as HMI point out, some of these deficiencies could be corrected by improved management at local level, we must nonetheless expect critical comment.

I am arranging for appropriate briefing to be prepared for our backbenchers - emphasising that: since we started publishing these reports 4 years ago, the proportions of less than satisfactory provision noted by HMI have, with the exception of those related to accommodation, declined; and that many of the Government's education policies, including those set out recently in the white paper "Better Schools" are directed to remedying just those quality deficiencies which HMI identify.

I am sending copies of this letter and enclosures to the Prime Minister, George Younger, Nicholas Edwards, Patrick Jenkin, John Biffen, Peter Rees and John Gummer.

Gummer

Jenkin



ND PM AT 275 C 40  
SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Sir Keith Joseph Bt MP  
Secretary of State for Education and Science  
Department of Education and Science  
Elizabeth House  
York Road  
LONDON  
SE1 7PH

21 May 1985

Dear Keith,

REVIEW OF STUDENT SUPPORT

with AT.  
↓  
Thank you for copying to me your letter of 10 May to Nigel Lawson about how this Review might best be taken forward. The whole question of student support is a sensitive matter politically and we shall have to be careful about how we present any options for change to the public. I feel sure that discussion among colleagues at this stage would be most useful, and I should certainly wish to be involved.

You are aware of my reservations about a loans scheme, and I shall not repeat them here. Despite these I have offered no objections to the inclusion of a loans option (or options) in a consultative paper. But the presentation will be important, and we should take care not to create an impression that the Government's mind is made up before there has been an opportunity for proper public debate. The present system has in my view provided access to higher education for many who might otherwise have been denied it and should not be lightly discarded. On the other hand, the squeeze we have imposed in the past 2 to 3 years both on main rates of grant and through the parental contribution scale has been keenly felt by our own supporters, and I doubt whether we can simply continue on the same tack without running the risk of major crisis.

If loans are to be seriously considered I believe it will be most important that we tackle at the same time the question of the parental contribution, which is a particular bone of contention on the part of students and parents alike. The costs of abolition are of course substantial, but perhaps a phased approach of the kind mentioned in the paper could be further considered. I should also like to see the settlement of the fees issue, once and for all. I should be most concerned about any further proposal to make home students (or their parents) responsible for fees and it would in any case simplify any loans debate if the public could be assured that the various options for student support related to maintenance only. One way to settle the issue would be to subsume fees in the general funding of institutions, as suggested in the Jarratt Report and noted in the paper, and I should very much like to see this seriously considered.

Since you have proposed a meeting before taking the consultative paper further, I shall not comment in detail upon it at this stage, but my officials will keep in touch with yours on those matters which will have to be taken into account to make it suitable for Scottish consumption, whichever direction we decide to take.

I am copying this letter to the Prime Minister, Quintin Hailsham, Nigel Lawson, David Young, Norman Fowler, Tom King, Nicholas Edwards, Patrick Jenkin, Norman Tebbit, Douglas Hurd, Peter Rees and John Wakeham.

Yours ever,

George.

Educ. Gen Policy Div 5

*[Faint, illegible text, likely bleed-through from the reverse side of the page]*

22 MAY 1967

10 11 12 1  
9 8 7 6 5 4 3  
2

*[Faint handwritten text]*

*[Faint handwritten text]*





NBPm

RT

22/5

~~CCND~~

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

20 May 1985

The Rt. Hon. Sir Keith Joseph Bt MP  
Secretary of State for Education and Science

*John Keith*

#### REVIEW OF STUDENT SUPPORT

You wrote to me on 10 May about the Consultative Paper on which officials have been working.

I would certainly welcome a discussion covering the ground in the second paragraph of your letter. As you say, the question of participation by the banks in a loan scheme is important and my officials will shortly be having an informal and confidential meeting with representatives of the Committee of the London Clearing Banks on this. I think it would be sensible for our own meeting to take account of this discussion and I have therefore asked my office to speak to yours about timing.

We clearly need to focus on the broad policy questions set out in your letter rather than on the detail of the draft consultative document. So I think it would be useful if you could circulate a short note in advance of the meeting which might serve as an annotated agenda, setting out the issues a little more fully than in the second paragraph of your letter.

I am copying this letter to the Prime Minister, Quintin Hailsham, George Younger, Nick Edwards, Patrick Jenkin, Norman Fowler, Norman Tebbit, Tom King, Douglas Hurd, David Young and John Wakeham.

NIGEL LAWSON

*John  
Nigel*

Education: Expenditure P45.

11 12 1  
2 3 4 5 6 7 8 9 10 11 12

22 MAY 1985


**Department of Education and Science**

Elizabeth House York Road London SE17PH

Direct Line 01-934

Switchboard 01-934 9000

GTN Number 2914

Telex 23171

 T J Flesher Esq  
 Private Secretary  
 10 Downing Street  
 London SW1

17 May 1985

Dear Tim,

Mr Flesher

 This makes about the best of a  
 bad job.

17.5.85

1. Mr Letwin

Any comments?

or

HIGHER EDUCATION GREEN PAPER: PROPOSED MINISTERIAL STATEMENT

H Committee discussed the draft Green Paper on <sup>at</sup> 1 May, and agreed that it should be published. Sir Keith Joseph said that he would like to publish it on 21 May (although the minutes incorrectly record this as 22 May) but the precise date was left for discussion with the Leader of the House.

The date of 21 May has now been provisionally agreed with the Leader of the House's office, and because of the importance of the Green Paper Sir Keith Joseph would like to make an oral statement on that day. The draft of the statement he would like to make is enclosed. The draft has been agreed with Treasury officials.

Because of the keen interest in higher education in the House of Lords the Secretary of State would like the statement to be repeated in that House by the appropriate Government spokesman.

I should be grateful for your agreement to our Secretary of State proceeding as proposed.

Copies of this letter and the draft statement go to the private secretaries to the Leader of the House, the Lord President, the Secretaries of State for Scotland, Wales and Northern Ireland, the Chief Whip (Commons), the Chief Whip (Lords), the Secretary of the Cabinet and to the Chief Press Secretary at No 10.

Yours,

A B Thompson

 A B THOMPSON  
 Parliamentary Clerk

CONFIDENTIAL



CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

From the Minister without Portfolio  
The Rt Hon Lord Young of Graffham

NJSPM

BT  
15/5

ECAD

The Rt. Hon. Sir Keith Joseph M.P.,  
Secretary of State,  
Department of Education & Science,  
Elizabeth House,  
York Road,  
London, S.E.1.

14th May, 1985

*to Keith,*

REVIEW OF STUDENT SUPPORT

You sent me a copy of your letter of 10th May to Nigel Lawson. I shall certainly be happy to join you in an early discussion with colleagues about the approach to be adopted in a consultative paper on student support. As you know, I fully share your own hopes that the review process will shift us significantly down the road towards incorporating a loans element into the system and I am sure other colleagues feel similarly. If, however, a meeting is needed to clarify our intentions, then by all means let us discuss the matter. I am conscious that some months have passed since our intention to hold a review was announced and we clearly ought to aim to publish a document as soon as possible.

On the fundamental issue about possible bank participation in a loans scheme, I am sure you are right to suggest that early progress is needed in sounding out the banks. No doubt they will repeat basically what they said in 1980; that is that they will be looking for commercial rates of interest as well as substantial Government guarantees against default. Of course, one should have an effect on the other and there can be little doubt that at the present time the banks do compete to get student business. These issues are obviously critical to the costings though I doubt if the problems need be insurmountable. However, I am myself attracted by the idea of repayment of loan being made through the PAYE system once an individual's income exceeds a certain threshold. But in any case I agree it would not make sense to publish a consultative paper without being able to include in it a fairly firm steer on the kind of terms that the banks might regard as acceptable. By the same token, I think it would be useful to have at least a preliminary indication on this before we meet to discuss the draft.

..../Cont.

CONFIDENTIAL

I am copying this letter to the Prime Minister, Quintin  
H. sham, George Younger, Nicholas Edwards, Patrick Jenkin, Norman  
Fowler, Norman Tebbit, Tom King, Peter Rees, Douglas Hurd and John  
Wakeham.

*Yes,  
Paul*

[Empty rectangular box]

Education: Gen Policy Pt 5



15 MAY 1985



FROM THE PRIVATE SECRETARY TO THE LEADER OF THE HOUSE  
AND THE CHIEF WHIP

3 May 1985

*Dear Tim* *Notes*  
*AS*  
*8/10*

BARONESS COX AND PACE

We spoke on Wednesday about Lady Cox's connections with the Parental Alliance for Choice in Education (PACE) in the light of an article which appeared in the Guardian on Monday. As I told you, Lady Cox had severed her connections with the group on her appointment as a Government Whip in the Lords; and she subsequently wrote to the Guardian pointing out the misleading impression that their article had created.

The Times Educational Supplement has today run an article on the same subject and open to the same sort of misconstruction. Lady Cox has now also written to TES pointing out that she has broken all her links with the group.

Copies of this letter go to Richard Hatfield, Janet Lewis-Jones and Jean Caines.

*Yours truly*  
*A R Dyer*

A R DYER  
Assistant Private Secretary

Tim Flesher Esq  
Private Secretary to  
the Prime Minister



3 May 1985

Dear Stewart

May I first thank you for giving such prominent coverage to the initiatives of "PACE". May I however point out that since my appointment to the Government Front Bench I have naturally resigned from that organisation and I would be grateful if this could be borne in mind in future coverage of its activities.

With best wishes.

Yours sincerely

*Carrie Cox.*

COX

The Editor  
The Times Educational Supplement



**NEWS**

Inspectors, advisers and boards  
condemn GCSE proposals

# All-out attack on plan for higher grade exam awards

by Susannah Kirkman

controversial Distinction and awards are under attack again; test protests come from I.e.a.s, public school heads, the Southern Examining Group and from members of the Secondary Examinations Council, the Government advisers on exams. Inspectors and advisers and the five boards which make up the Southern Examining Group have rejected the certificates proposed by the Government for pupils to achieve high grades in seven GCSE subjects. The Headmasters' Conference condemned the proposals as "pre-emptive to a degree not hitherto laid by the Secretary of State". The introduction of the certificates is a "retrograde step... a step back to the matriculation exemption

proposed by schools, according to Mr John Day, secretary to the Southern Examining Group monitoring committee. One of the requirements of the certificates is that pupils should offer one subject from CDT, home economics, art and design and music. As the DES Curriculum 5 to 16 paper has recommended that CDT should be compulsory for all pupils up to 16, there is a danger that the other subjects would be ousted from the curriculum, says NAIEA. NAIEA shares the independent schools' fear that the awards will reduce the range of modern languages and science subjects taught in schools, as pupils taking three modern languages or three science subjects will not qualify for the Distinction or Merit certificates.

# PACE marches fast into sex battle

by Bidy Passmore



Baroness Cox: leading member

A new parents' pressure group, formed to give national backing to local campaigns for the retention of popular schools, has been surprised to find its first battle being fought under the Sex Discrimination Act. The Parental Alliance for Choice in Education (PACE), launched at a meeting in the House of Lords last week, aims to challenge local authorities who ride roughshod over parents' wishes on issues such as single-sex education, or which do not even attempt to find out what parents want. Although "non-party political", its members include leading right-wing figures in education such as Baroness Cox, Dr John Marks and Mr Fred Naylor, its acting honorary secretary. The group was therefore taken aback to discover what were the best legal grounds for mounting a test case - challenging the decision to close Merrywood, an all-boys' comprehensive on a Bristol council estate.

Mr David Pannick, QC, advised local parents that Sir Keith Joseph, the Education Secretary, was wrong to sanction the closure - but not, as they had expected, because of lack of consultation by Avon County Council or because of the loss of single-sex education. His attention focussed instead on the fact that Merrywood Girls' School was to stay open. Pupils there were being treated more favourably than boys, he said, and that was a breach of the Sex Discrimination Act. This week, the parents are seeking leave in the High Court for a judicial review of the closure decision, due to take effect in 1986. They have already raised £1,500 and now need an extra £2,500 to pay legal costs. On a pre-war council estate, with unemployment running at 30 per cent, that is no easy task. Fund-raising activities such as sponsored walks are planned.

# Fight for course

by Bert Lodge

A campaign to save a teacher training course which specializes in encouraging black students was launched this week by the Inner London Education Authority. It follows proposals last month from the National Advisory Body for local authority higher education that the teaching studies department at the Polytechnic of North London should

# Unions take council to court over docked pay

by Richard Garner

Liverpool City Council faces a High Court hearing over a controversial decision to dock the pay of teachers and their heads who turned up for work on a day that schools were shut because of a demonstration against rate-capping. The unions decided it would be possible to get the money back at a later date. Local members of the NAHT told Mr Dominic Brady, chairman of the education committee, that all its members had reported to school as usual. Mr David Hart, its general secretary,

NBPM

ccpd

AT

1375



From the Secretary of State  
With the Private Secretary's Compliments

Private Secretary

Please find attached  
enclosure for letter  
to Nigel Lawson from  
Keith Joseph dated  
10/5/85 about Student  
Support. Thank you.  
Private Office

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH  
TELEPHONE 01-934 9000

PRIME MINISTERPa  
/Higher Education Green Paper

H are due to consider Sir Keith Joseph's draft Green Paper on Wednesday. His covering minute and paper are attached at Flag A.

The Policy Unit have doubts about whether Sir Keith should publish a paper of this kind at the moment. Their advice is at Flag B. They feel the paper does not expose the options properly to enable sensible discussion to take place, and that it would be better to delay until some substance can be injected into the paper, e.g. by including a discussion on student grants.

Sir Keith himself is very keen that the paper should go forward. He believes the time is ripe to open up the debate on higher education, now that the White Paper on schools has been published.

Normally, you don't get involved in H business unless it is clearly necessary. But if you decide to do so on this occasion, having looked at the draft paper, read Sir Keith's covering minute and considered the Policy Unit advice, we should need to make your views known in advance of the H meeting. Before you make your views known to H generally, Sir Keith would, I understand, welcome the opportunity to write to you personally, setting out his point of view.

Content to let the Green Paper go forward to H without comment? If not, do you wish me to reflect your views to Sir Keith and give him the opportunity to reply?

(Mark Addison)

25 April 1985

If K.S. wants to go ahead  
we should let him do so  
out

HIGHER EDUCATION GREEN PAPER

Keith Joseph has been promising a Green Paper on higher education for some time. He argues that this document sets out the Government's policies to make higher education more economically useful, more efficient and of better quality.

In particular, the Green Paper:

- i. affirms the Government's wish to see more emphasis on technology and vocational studies (para 2.9 - 2.11);
- ii. lays down new guidelines for academic consultancy and other links with industry (paras 5.9 - 5.12);
- iii. re-states the commitment to legislate against tenure (para 7.6);
- iv. announces a review of the UGC (para 8.5)
- v. states that the system will have to contract in the years following 1990, when the number of qualified entrants should begin to fall (paras 9.9 - 9.12).

Keith's intention is to open up a debate on higher education by issuing both this Green Paper and - shortly afterwards - the promised consultative paper on student grants and loans.

We doubt whether the Green Paper, as it stands, will achieve these aims.

The recent Jarratt report on the universities revealed that the system is in a mess. It is clear that university administrators have little sense of direction, and do not

know what criteria should be used to make decisions about the allocation of resources. This is not surprising, since neither the UGC nor the Government have told them whether it is the employability of their students, their research quality, or the standards of their degrees that count when central funds are being distributed. Much the same undoubtedly applies to the polytechnics and colleges.

There are two possible ways through this mess:

either proper central management, with a more rigorous UGC and NAB, real output measures, defined objectives, open allocation of resources according to the achievement of targets etc.

or opening the system to competitive pressures by ensuring that universities, polytechnics and colleges depend for their funds upon their ability to satisfy 'customers' such as research councils, industrialists, donors, and students.

We believe that the second option is preferable, for several reasons:

- i. increased reliance on private funding is the only method of getting higher education off the public money ratchet;
- ii. pressure from 'customers' is, in the long run, more likely to keep up standards than a whole host of cosy, public sector managerial bureaucracies;
- iii. centralised management tends to stifle initiative and enthusiasm, whereas 'customer' choice tends to favour the new and exciting;

- iv. centralisation will be deeply unpopular, whereas increased 'customer' power is difficult to oppose;
- v. institutional morale will improve if institutions are more independent and self-reliant.

But the choice between these alternative routes cannot be made unthinkingly. The proper course is to float both options - centralisation and decentralisation - in such a way as to cause a genuine public debate. Unfortunately, the Green Paper fails to do this. Instead, it is vaguely managerial in tone (thereby probably alienating many academics), and pessimistically phrased (eg the politically dangerous passage on 'cuts' in paragraph 9.1). As a result, it may fail to stimulate the Government's friends, and may instead be cited by the Opposition as an admission of defeat, and proof of the Government's ill-intentions towards higher education.

We reluctantly recommend that the Paper should either be delayed until the student grants discussion is ready for inclusion (thereby giving it more substance), or else withheld until the Government is ready to enter a genuine debate about the way forward.

*Oliver Letwin*

OLIVER LETWIN

CC/10



DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215  
GTN 215) 5147  
(Switchboard) 215 7877

From the Minister of State  
for Industry and Information Technology

GEOFFREY PATTIE MP

Rt Hon Sir Keith Joseph Bt MP  
Secretary of State for  
Education and Science  
Elizabeth House  
York Road  
LONDON  
SE1

*T.P. French*

4 April 1985

*Dear Keith*

MOLECULAR BEAM EPITAXY (MBE) MACHINE FOR NOTTINGHAM UNIVERSITY

Thank you for your letter of 27 March together with the ~~copy~~ of your memorandum to the Prime Minister. *my request of rec.*

Naturally we are very disappointed that you have decided in favour of the Varian machine and against the British machine for the Nottingham programme.

Our claim that the V80H was capable of achieving 100,000 mobilities within two months from mid-February has now been amply justified. The Royal Signals and Radar Establishment exceeded the 100,000 mobility mark on 29 March in the short overall timescale of just 21 days. If one excludes the machine preparation time the actual operational period was only five days.

Although it is to some extent water under the bridge I think it worth saying again that neither Varian nor VG guarantee a performance of more than 40,000 mobilities since, as you say, much depends on the skill and experience of the operators as to what levels are achieved. We have no reason to believe that V80H operators need to be any more experienced than those on the Varian machine and indeed our advisers reject such a suggestion.

AP1/AP1ABQ



I note that in your memorandum to the Prime Minister that you made no mention of the price difference between the two machines, namely that the British machine costs £460,000 and the Varian machine at least £650,000.

I am copying this letter to the Prime Minister, Peter Rees, Grey Gowrie, Sir Robert Armstrong and Sir Robin Nicholson.

Your decision will seriously damage the prospects of the British product in world markets.

*Yours*

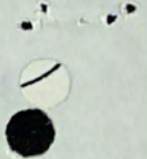
*Geoffrey Pattie*

GEOFFREY PATTIE

M12/M12AES



EDUCATION : Policy : A S .



- 4 MAR 1985 -

CCND



DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH  
TELEPHONE 01-928 9222  
FROM THE SECRETARY OF STATE

Andrew Turnbull Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

2 April 1985

OR/cf  
I take it the PM is laying  
down to this. For assistance with  
PPRS ideas by  
energy.  
MSA 3/4  
- with TF/PM

Dear Andrew,

UNIVERSITY EFFICIENCY

My Secretary of State has seen Sir Robin Ibbs' minute of 29 March to the Prime Minister on this subject. He is clear that the Jarratt Committee report has important implications for the Green Paper on higher education, and will minute his colleagues on the subject after Easter.

One small point arises from paragraph 6 of the minute. The OU report makes clear that the specific savings referred to fall well short of bridging the gap between what the OU needs in order to maintain its present level of operation and the proposed funding by Government. The University will have to find a further £4m by 1986 through economies elsewhere.

I am copying this to Sir Robin Ibbs.

Yours,  
Elizabeth

MISS C E HODKINSON  
Private Secretary

- 3 APR 1967

9 0 11 12 1  
8 4 2  
7 6 5 4

PRIME MINISTER

CONFIDENTIAL

## UNIVERSITY EFFICIENCY

MT  
—

Two reports will be published next week which are important milestones in your Government's attempts to improve value for money in British Universities. On Monday, Sir Alex Jarratt's Steering Committee for efficiency studies in universities will release its report. Later in the week, the Open University will publish a scrutiny report about economies and savings. They will stir up strong passions. In view of the involvement of the Efficiency Unit I believe I should warn you of this even though the action falls to Keith Joseph.

2. At Keith Joseph's request, I have been a member of the Jarratt Committee, and, as my alternate, Ian Beesley has put in a great deal of time and effort to keep the Committee focused on universities' need to adapt, to manage change, and actually achieve improved efficiency. The studies on which the Jarratt Report is based have all been carried out on the scrutiny lines as established by Derek Rayner.


3. The reports amount to a powerful call for the individual academic to work for the good of the whole, and for the institution to have the strength to shape its future selectively by backing the excellent rather than the mediocre, the relevant rather than the less necessary. The Jarratt report is also critical of government for not providing broad policy guidelines within which the universities can plan.

4. The Jarratt Committee will release the attached briefing with its report. I would add only two glosses. First, I believe that the Jarratt work has itself started to change the culture in a beneficial way; that now needs to be built upon - especially as I have been struck by the immense complacency of many (but not all) universities. The report must be implemented and, through the UGC, which needs to be strengthened, the funding of any single institution must be linked, in part, to its implementation of the findings. The savings possible from applying each of the special studies in every university must be realised.

5. Second, the evidence is that change has to be imposed on individual universities. I believe that points to maintaining persistent pressure through public expenditure plans. The temptation may be to administer another short sharp shock, as in 1981, but I do not recommend that. Such a course would confirm the universities in their bad practices - which often stem from a reactive and crisis-ridden approach to management. It is likely to prevent the steady fundamental change that is needed.

6. The Open University report is a simpler document but it too points to a crucial gap at the centre of the university which prevents the proper bringing together of academic aspirations and resources. Specific savings worth £1.5 million in 1985, rising to £2.5 million in 1986 are identified and the University's relationship with the BBC is pin-pointed as unsatisfactory.

7. I am copying this to Keith Joseph.



ROBIN IBBS  
29 March 1985

**CONFIDENTIAL**

EMBARGOED UNTIL 4 PM ON 1 APRIL 1985

EXECUTIVE SUMMARY AND PRESS BRIEFING

JARRATT COMMITTEE REPORTS ON EFFICIENCY IN UNIVERSITIES

Good universities are vital to Britain's cultural life and prosperity. Preservation and nourishment of that which is best must be a national priority; but no one, inside or outside the system, can assume that the resources to do this will automatically be available in ample measure. Like everyone else universities need to be selective to put to best use the resources they command. This means adapting to cope with uncertainty and being willing to take hard decisions. Failure to face up to these needs will squander their strength and their future.

Excellence in the universities must be pursued realistically and have regard to the calls made on public funds. Only a minority of the population benefit directly from a university education, yet individually they contribute significantly to the cost of our universities through taxation. They must be assured that their money is well spent.

The need is to ensure that universities, collectively and singly, have clear and appropriate objectives and that the individual institutions achieve the maximum value from the resources made available to them.

For this they must have the necessary structures and the will to succeed despite the inevitable economic pressures and uncertainties. They must be helped by those responsible for the bulk of their funding. Government and the UGC have responsibilities to the universities as well as vice versa.

We are in no doubt that, for the foreseeable future, money will be scarce compared to aspirations. The Public Expenditure White Paper indicates that state funds will rise marginally less than the general rate of inflation it predicts. Some extra income can probably be generated from research and other work for business and this must be encouraged. But the universities will face hard choices as they work within limited funds and seek to preserve excellence.

In 1981 Government reduced funding for universities by 17% over 3 years; all were affected but some more than others. There was little warning and for the first time in many years the financial and academic priorities of a university were potentially in conflict. The management structures found it hard to cope. Reductions tended to be spread across departments more or less pro-rata or taken opportunistically as chances presented themselves. The State provided extra money to fund a premature retirement scheme which was intended to be used selectively, but subsequent indications are that it was not always used to best effect.

# CONFIDENTIAL

The way the crisis was managed left some institutions weak and most out of balance.

It is in the planning and use of resources that universities can improve their efficiency and effectiveness. Our proposals are intended to reduce the risk of harsh unexpected cuts being imposed and to safeguard the responsible community of scholarship. It is quite unrealistic to envisage a return to some golden age of rapidly rising state funding. Our recommendations are constructed as a package to provide the foundations of policy, resource allocation, delegated responsibility and accountability which must underpin academic judgements. Only in this way can academic freedom be preserved. We address these recommendations to Government, to the University Grants Committee, and to the universities themselves.

We recommend that Government should:

- provide broad policy guidelines within which the UGC and individual universities can undertake strategic and long term planning;
- consider what action can be taken to restore a longer funding horizon for universities in view of the disincentives to strategic planning inherent in the present system;
- avoid thrusting crises on universities through sudden short term changes of course;
- be prepared to provide funds to meet the whole or the greater part of the realistic cost of future staffing reductions agreed between individual universities and the UGC;
- commission an examination of the role, structure and staffing of the University Grants Committee.

We see a need for the University Grants Committee to:

- provide and make known its views about the prospects and directions for higher education;
- increase the frequency and scope of informal and confidential discussions between individual Vice-Chancellors and the UGC Chairman and Sub-committee Chairmen;
- encourage further inter-institutional collaboration;
- agree with each university within the next 12 months a programme for implementing the recommendations in this Report and the relevant findings of the Special Studies, and to take progress into account when allocating grants.

# CONFIDENTIAL

We recommend that the UGC and CVCP jointly should:

- develop a range of performance indicators, covering inputs and outputs, designed for use within individual universities and for making comparisons between institutions.

We recommend all universities examine their structures and develop plans within the next twelve months to meet certain key requirements. These are spelt out in detail in the report and include:

- Councils to assert their responsibilities in governing their institutions, notably in respect of strategic plans to underpin academic decisions, and structures which bring planning, resource allocation and accountability together into one corporate process linking academic financial and physical aspects;
- Senates to continue to play their essential role in co-ordinating and endorsing detailed academic work and as the main forum for generating an academic view and giving advice on broad issues to Council;
- developing a rolling academic and institutional plan, which will be reviewed regularly and against which resources will be allocated;
- recognising the Vice-Chancellor not only as academic leader but also as chief executive for the university;
- establishing a planning and resources committee strictly limited in size reporting to Council and Senate with the Vice-Chancellor as Chairman and with academic and lay members.
- budget delegation to appropriate centres which are held responsible to the planning and resources committee for what they have achieved against their budgets;
- developing reliable and consistent performance indicators, greater awareness of costs and more full cost charging;
- appointing Heads of Department by Councils, on the recommendation of the Vice-Chancellor after appropriate consultation, with clear duties and responsibility for the performance of their departments and their use of resources;
- introducing arrangements for staff development, appraisal and accountability;

CONFIDENTIAL

- saving academic and other time by having fewer committee meetings involving fewer people, and more delegation of authority to officers of the university - especially for non academic matters.

We do not dispute that the introduction of these changes will be a difficult process. We have considered whether they would stifle creativity or otherwise damage the vitality of the universities. We believe not. On the contrary, we believe that unless a university pays attention to these matters it is in danger of drifting and ceasing to be able to determine its own future. We stress that universities are first and foremost corporate enterprises of excellence to which individuals within the institution are responsible and accountable. Failure to respect this wider duty will undermine their future survival.

ALEX JARRATT



W.0281

~~29~~ March 1985

MR ADDISON, NO 10

PUBLIC PURCHASING POLICY: MOLECULAR BEAM EPITAXY MACHINE FOR NOTTINGHAM UNIVERSITY

I have seen a copy of the minute from the Secretary of State for Education and Science to the Prime Minister on Public Purchasing Policy and the purchase of a Molecular Beam Epitaxy Machine for Nottingham University. Although the minute does not say so, I was consulted by DES at a fairly late stage in the discussion between them and DTI on this matter. I took advice from an industrial research laboratory which is very prominent in this field and concluded that the differences between the American and British machines were notional rather than real and that hence the DTI argument was correct. However I do recognise the difficulty that Sir Keith Joseph faces in a situation like this when he is asked to overrule the scientific assessment of one of the research councils. Moreover, I should like to point out that SERC have stuck to their preference, despite the very substantial financial penalty it carries, with the American machine being about 50 per cent more expensive than the British machine. Thus SERC's decision has cost them a couple of their precious "alpha grants" and one would hope that this financial pressure ensures that they do not make this type of recommendation lightly.

LONDON  
RSW  
ROBIN NICHOLSON

P.S. Since dictating this minute I have been telephoned by the Managing Director of the British Company which lost the order, protesting at the "crazy public purchasing policy" of the Government. He also claimed that a major investment decision which his Company was about to make, which would have created a number of new "high-tech" jobs is now likely to be aborted. He said that he would be writing to the Prime Minister. I told him that the DTI had accurately and vigorously <sup>put</sup> his Company's case but that SERC had stuck to their judgement and that the Government's purchasing policy did not involve a Secretary of State overriding the purchaser's preference when he was satisfied that all the relevant information had been brought to his attention.

I enclose a relevant cutting from The Observer of yesterday.

EDUC;  
Policy: fks

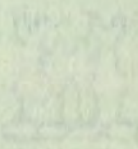


BRITISH  
LIBRARY  
SERIALS  
ACQUISITION  
DEPARTMENT  
100 Brook Green  
West London W6 7BP  
APR 2 1985

11/11

1000001

COMMERCE



LONDON

Observer

3/13/85

**SPORT**  
PAGES 45-48

29

# Fury over US high-tech deal

by GARETH DAVID

THE directors of VG Instruments, one of our leading scientific equipment manufacturers and a quoted offshoot of BAT Industries, are up in arms at the Government's decision to allow Nottingham University to pay some £700,000 for a US rival to one of VG's most successful and advanced products.

VG director Peter Robinson is writing to the Prime Minister to ask why the Department of Education and Science did not insist that the order was placed with a British company which could have supplied the equipment considerably more cheaply.

Robinson says VG could have supplied a more powerful machine than that being sold to Nottingham by Varian Associates of the US at only £500,000, and with it provided the chance for further employment in the high-tech industry in the UK.

At the centre of the dispute is what is called a Molecular Beam Epitaxy (MBE), a piece of equipment that effectively boils solids in an ultra-high vacuum and is used for dramatically reducing the size of electronic components. Nottingham

University requires an MBE for its research into the development of 'fifth generation' thinking computers.

Mrs Thatcher is known to have a keen interest in this area as it represents the future of the semi-conductor business, where Britain lags behind Japan and the US.

Independent research into the calibre of the machine manufactured by VG Instruments' VG Semicon offshoot has shown that it is 20 per cent more efficient than the performance guaranteed by Varian Associates for its US-manufactured machine.

Robinson believes that Information Technology Minister Geoffrey Pattie was in favour of buying the British product, but was over ruled last week on the advice of the Science and Engineering Research Council (SERC).

'The world's foremost researchers, including Bell Laboratories, Westinghouse, and Texas Instruments, are happy to buy VG machines against American competition, yet here we have a British university being given ministerial approval to buy a US machine that will cost more and perform no better,' complains Robinson.



ls

10 DOWNING STREET

*From the Private Secretary*

29 March, 1985.

This is just to record that the Prime Minister has seen and noted your Secretary of State's minute of 27 March about the purchase of a molecular beam epitaxy machine for Nottingham University.

(Timothy Flesher)

Ian Hughes, Esq.,  
Department of Education and Science.

ihg

Prime Minister:

CC 210

PRIME MINISTER

The purpose of this long and complex minute is to let you know that Sir Keith Joseph intends to authorise reluctantly the SERC to buy an American rather than a British machine on what seem to be good scientific grounds

PUBLIC PURCHASING POLICY: MOLECULAR BEAM EPITAXY MACHINE FOR NOTTINGHAM UNIVERSITY

1. I believe that you should know of a recent purchasing decision I have made which could give rise to parliamentary interest, especially as it relates to a scientific instrument; I am aware of your interest in this particular sector of British industry.
2. Within the Science and Engineering Research Council's Low Dimensional Structures (LDS) initiative, the Council is providing dedicated molecular beam epitaxy (MBE) machines to enable various university groups to grow their own LDS samples for a wide range of physics experiments with potential commercial promise. These samples are precisely tailored materials consisting of layers of atomic thickness. They exhibit radical new properties which must be fully understood if their promise as the basis of the next generation of semiconductor devices is to be realised. MBE machines are sophisticated and expensive pieces of equipment requiring skill and experience to set up and use effectively.
3. For Nottingham University's part in this SERC programme, the University requires a machine which can achieve in excess of 100,000 electron mobilities in gallium arsenide. The SERC endorse this performance requirement, though DTI say that the SERC were less than precise in the early stages of formulating it. This is a point to which we can return later, to ensure that there is no similar lack of precision in future cases of this sort; but it does not affect the present issue. The machine needs soon to be installed, and operating to full capacity, if the UK work in this field is not to fall seriously behind that of our competitors, principally the USA and Japan.

4. According to all the experts whom SERC have consulted, there is at present only one make of machine which is capable of achieving these mobilities very soon after installation with relatively inexperienced growers. This is the Varian Gen II machine, which is manufactured in the United States. I make the point about the experience of the growers because, in this work, the mobilities obtained depend almost as much on the skill and experience of the growers as on the machine itself; and the Nottingham work will be in the University's Physics Department where such skill and experience is not great. Provided the programme at Nottingham starts soon, it will still be at the forefront of world research. Materials produced there will be made available elsewhere in the UK, as in Nottingham itself, both for research and for the training of postgraduate and post-doctoral people some of whom may ultimately find careers in the British semiconductor industry. Without such a machine, the research programme cannot proceed and aspects of the wider LDS programme are likely to be jeopardised. SERC have sought my Department's approval to their awarding Nottingham a research grant embodying the Varian machine, the cost of which exceeds SERC's delegated authority.

5. The Department of Trade and Industry, whom we consulted, had reservations about SERC's proposal. DTI claims that a British machine, the VG80H manufactured by VG Instruments plc, is likely to be capable of achieving 100,000 mobilities within a small number of months and believes that, on public purchasing policy grounds, SERC should purchase the VG80H for Nottingham. Officials have been discussing the question for some time without resolving the impasse. Geoffrey Pattie wrote to me recently making this point himself, and also pointing to the damaging capital which Varian, who are in contention with VG Instruments in the world market for this type of machine, would try to make if they pulled off the Nottingham contract. He recognised however that the decision was for me.

6. Here I must say that my understanding is that there is no guarantee of reaching the required mobilities with a VG machine (though that is very likely), nor of exactly how long it might take to do so. This is particularly the case where the operators are relatively inexperienced.

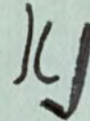
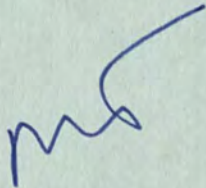
7. One further relevant point is that, within the wider LDS programme, SERC intend to purchase one or more VG machines for teams in other universities where such high mobilities are not required or where materials other than gallium arsenide are being used. In particular my Department has already approved the purchase by SERC of a VG machine for Cambridge.

8. Peter Brooke chaired a long meeting with DTI and SERC on 21 March, and thoroughly satisfied himself personally as to the strengths of the arguments on both sides. These, when boiled down to their essentials, are much as I have outlined above. But it emerged at Peter Brooke's meeting, perhaps more strongly than previously, how imperative the time constraint is, given the danger of our falling behind our competitors; this seemed to Peter - and to me when he told me about it - to be a telling point against the VG for this particular application.

9. Sir John Kingman and the Vice-Chancellor of Nottingham have become increasingly restive at the delay in approving the proposed research grant. I therefore felt that it would not be right to keep them waiting much longer while further discussions were held, especially as the ground has been gone over very thoroughly already. Given my position as the progenitor of the public purchasing policy (when I held a different office), it naturally grieves me, as I know it grieves SERC, to rule against a British manufacturer. I nevertheless view the scientific needs, coupled with the time factor, as being the overriding considerations in this particular case. I have therefore approved SERC's proposed research grant including the purchase of the Varian machine.

10. My officials will work closely with SERC and DTI on the terms of the SERC announcement, to ensure that it is worded in the least damaging way. For example, the information about the Varian contract and about the other contracts which SERC are concluding with VG Instruments will probably be brigaded together in the same announcement. And in all other ways we, DTI and SERC will work closely together to seek to limit any damage this decision may cause to the British scientific instrument industry.

11. I am copying this letter to Peter Rees, Grey Gowrie, Geoffrey Pattie and Sir Robert Armstrong.



KJ

27 March 1985

Department of Education and Science



cc Press  
questions  
JF

ORAL STATEMENT BY THE SECRETARY OF STATE FOR EDUCATION AND  
SCIENCE ON THE WHITE PAPER "BETTER SCHOOLS" (CMND 9469) -  
TUESDAY 26 MARCH 1985

1. With permission, Mr Speaker, I wish to make a statement about the White Paper, published today, setting out the Government's policies for school education in England and Wales. Copies of the White Paper, and a summary, are available in the Vote Office.

2. The Government has two principal aims - to raise the standards achieved by pupils of all abilities, and to secure the best possible return for the resources invested in school education.

3. We have set these aims because education at school needs to develop to the full the capacities of every pupil, and to promote the nation's ability to seize the challenging opportunities of a technological and competitive world. The schools need to build on Britain's values and traditions - and on its ethnic diversity. They need to educate pupils to their own full potential and for the responsibilities of citizenship and for working life.

4. Both what is taught and how it is taught need to serve these purposes better than is now the case in many schools. National standards would rise dramatically if all schools matched the present achievements of the best comparable schools. The Government has a duty in law to take a lead in securing that all our schools have an effective curriculum, effectively delivered by those responsible.

5. Together with its partners in the education service, and with the customers of the service, the Government will take action in four broad areas of policy to raise achievement at all levels of ability.

6. First, we shall continue to take the lead in promoting agreement about the objectives and content of the curriculum

in primary, secondary and special schools. The curriculum should be broad, balanced, relevant and differentiated for variations in pupils' abilities and aptitudes. Agreed and explicit objectives will help to focus the efforts of LEAs and schools, and motivate pupils, towards aims shared also by parents and employers.

7. Second, we are taking action on examinations. As the House will recall, we are establishing the General Certificate of Secondary Education (the GCSE). It will serve the curriculum better than the examinations it replaces. It will put a new emphasis on understanding, on the application of knowledge, and on oral and practical skills. Through the development of grade criteria it will award grades only to those who attain the required standard in defined aspects of each subject. We shall introduce a new examination, the AS level, to broaden the programme of students on A level courses. The new CPVE will offer a wide range of courses for other students over 16. We are working towards the establishment by the end of the decade of a national system of records of achievement for all school leavers which will record not only examination successes but also other achievements at school.

8. Third, we shall promote teaching quality by improving the professional effectiveness of teachers and the management of the teaching force. Better initial training will result from the reform of courses the Government has already set in hand. We intend to make in-service training more effective by funding it through a specific grant to local education authorities. We will seek an early opportunity to legislate for that change, as I informed the House last week. We intend that it should be a condition of the grant that satisfactory arrangements are made for identifying and meeting the training needs of individuals and the service. Adequate arrangements for appraising the performance of each teacher are essential for the career development of individual teachers and for the good management of the teacher force; my rt Hon Friend the Secretary of State for Wales and I will seek powers to allow us to require local education authorities to make such arrangements if we consider such action necessary.

9. Fourth, we shall develop the contribution which governing bodies can make to good school education. In the light of the response to the Green Paper "Parental Influence at School", the Government has decided, as soon as the legislative programme permits, to propose two measures to the House. First to entrench the powers of governing bodies of county, controlled and maintained special schools in relation to the functions of the LEA and the headteacher; second, to reform the composition of these governing bodies so that there can be an equal number of parent and LEA-appointed governors, and teachers and the local community will also be represented, with no single interest predominating.

10. The programme of action will take time to accomplish in its entirety. It may be difficult to achieve it in full within existing real levels of expenditure per pupil. But much progress can be made if the education service gets the most out of what is available. The more it succeeds, the stronger its future claim on resources.

11. Much of what needs to be done is neither a question of money, nor of action by the Government alone. The education service is a partnership. Each partner has important responsibilities which the Government intends to preserve. Each can do his job effectively only with the help of the others. Cooperation and professional commitment have secured notable achievements and built up many strengths in our schools. The Government believes that cooperation and professional commitment will continue to be the norm within the education service. We believe that local education authorities, the Churches and other voluntary bodies, governors, teachers, parents, employers, and all others will join in the common endeavour to make standards of achievement and behaviour at every school as good as they can be and need to be in the interest of the pupils and our national future.

FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.



RESTRICTED

HOUSE OF LORDS,  
SW1A 0PW

25 March 1985

*My dear Keith:*

*W  
20/3/85*

WHITE PAPER "BETTER SCHOOLS" - PROPOSED MINISTERIAL STATEMENT

I agree that the importance of this White Paper justifies your making an Oral Statement to be repeated in the House of Lords by the Earl of Swinton but I suggest that we will miss an opportunity if you do not finish with a reference to our future as a nation and as a partner in the wider European Community.

I am copying this letter to the Prime Minister, the members of H Committee and Grey Gowrie, David Young, John Selwyn Gummer and to Sir Robert Armstrong.

*Yrs:*

The Right Honourable  
Sir Keith Joseph, Bt., M.P.



*cancel*

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH  
TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Tim Flesher Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

*Covered in agreement*  
*Agree this statement?*  
*22 March 1985*  
*25/3*  
*MR*

Dear Tim,

**WHITE PAPER 'BETTER SCHOOLS' - PROPOSED MINISTERIAL STATEMENT**

H Committee discussed the draft White Paper on 6 March, and agreed the text subject to a number of detailed points. The Committee were content that the White Paper should be published on 26 March, a decision confirmed at the Prime Minister's meeting on 11 March.

In view of the importance of the White Paper, my Secretary of State would like to make an oral statement in the House on the day of publication. This has been agreed with the Leader of the House's Office. Sir Keith Joseph would like the statement to be repeated by the Government's education spokesman, the Earl of Swinton, in the House of Lords.

I attach a draft of the statement, which has been agreed with the Treasury at official level. Sir Keith considers that the most judicious and defensible way to meet the inevitable criticism that the White Paper policies could not be achieved within the available resources is to present the issue in the terms of the White Paper, as in paragraph 10 of the draft statement.

I should be grateful for agreement to our proceeding along these lines.

Copies of this letter and draft statement go to the Private Secretaries to members of H Committee, the Secretary of State for Trade and Industry, the Minister without Portfolio, the Secretary of the Cabinet and to the Chief Press Secretary, No 10.

*Yours,*  
*Elizabeth*

MISS C E HODKINSON  
Private Secretary

*22/1*

R E S T R I C T E D

DRAFT ORAL STATEMENT

1. I wish to make a statement about the White Paper, published today, setting out the Government's policies for school education in England and Wales. Copies of the White Paper, and a summary, are available in the Vote Office.

2. The Government has two principal aims - to raise the standards achieved by pupils of all abilities, and to secure the best possible return for the resources invested in school education.

3. We have set these aims because education at school needs to develop to the full the capacities of every pupil, and to promote the nation's ability to seize the challenging opportunities of a technological and competitive world. The schools need to build on Britain's values and traditions - and on its ethnic diversity. They need to educate pupils to their own full potential and for the responsibilities of citizenship and for working life.

4. Both what is taught and how it is taught need to serve these purposes better than is now the case in many schools. National standards would rise dramatically if all schools matched the present achievements of the best comparable schools. The Government has a duty in law to take a lead in securing that all our schools have an effective curriculum, effectively delivered by those responsible.

5. Together with its partners in the education service, and with the customers of the service, the Government will take action in four broad areas of policy to raise achievement at all levels of ability.

6. First, we shall continue to take the lead in promoting agreement about the objectives and content of the curriculum in primary, secondary and special schools. The curriculum should be broad, balanced, relevant and differentiated for variations in pupils' abilities and aptitudes. Agreed and

R E S T R I C T E D

explicit objectives will help to focus the efforts of LEAs and schools, and motivate pupils, towards aims shared also by parents and employers.

7. Second, we are taking action on examinations. As the House will recall, we are establishing the General Certificate of Secondary Education (the GCSE). It will serve the curriculum better than the examinations it replaces. It will put a new emphasis on understanding, on the application of knowledge, and on oral and practical skills. Through the development of grade criteria it will award grades only to those who attain the required standard in defined aspects of each subject. We shall introduce a new examination, the AS level, to broaden the programme of students on A level courses. The new CPVE will offer a wide range of courses for other students over 16. We are working towards the establishment by the end of the decade of a national system of records of achievement for all school leavers which will record not only examination successes but also other achievements at school.

8. Third, we shall promote teaching quality by improving the professional effectiveness of teachers and the management of the teaching force. Better initial training will result from the reform of courses the Government has already set in hand. We intend to make in-service training more effective by funding it through a specific grant to local education authorities. We will seek an early opportunity to legislate for that change, as I informed the House last week. We intend that it should be a condition of the grant that satisfactory arrangements are made for identifying and meeting the training needs of individuals and the service. Adequate arrangements for appraising the performance of each teacher are essential for the career development of individual teachers and for the good management of the teacher force; my rt Hon Friend the Secretary of State for Wales and I will seek powers to allow us to require local education authorities to make such arrangements if we consider such action necessary.

9. Fourth, we shall develop the contribution which governing

R E S T R I C T E D

Bodies can make to good school education. In the light of the response to the Green Paper "Parental Influence at School", the Government has decided, as soon as the legislative programme permits, to propose two measures to the House. First to entrench the powers of governing bodies of county, controlled and maintained special schools in relation to the functions of the LEA and the headteacher; second, to reform the composition of these governing bodies so that there can be an equal number of parent and LEA-appointed governors, and teachers and the local community will also be represented, with no single interest predominating.

10. The programme of action will take time to accomplish in its entirety. It may be difficult to achieve it in full within existing real levels of expenditure per pupil. But much progress can be made if the education service gets the most out of what is available. The more it succeeds, the stronger its future claim on resources.

11. Much of what needs to be done is neither a question of money, nor of action by the Government alone. The education service is a partnership. Each partner has important responsibilities which the Government intends to preserve. Each can do his job effectively only with the help of the others. Cooperation and professional commitment have secured notable achievements and built up many strengths in our schools. The Government believes that cooperation and professional commitment will continue to be the norm within the education service. We believe that local education authorities, the Churches and other voluntary bodies, governors, teachers, parents, employers, and all others will join in the common endeavour to make standards of achievement and behaviour at every school as good as they can be and need to be in the interest of the pupils and our national future.



22 MAR 1985

0 11 12 1  
9 2 3  
8 4 5  
7 6 4

SPD2AM06



RESTRICTED

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Andrew Turnbull Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

*W  
22/3*

22 March 1985

Dear Andrew, *destroyed: published as Cmd.*

I attach a copy of the White Paper 'Better Schools', to be published on 26 March.

Copies of this letter and attachment go to Private Secretaries to members of the Cabinet and to Sir Robert Armstrong.

*Yours,*

*Elizabeth*

MISS C E HODKINSON  
Private Secretary

Tim

This needs very fast  
clearance, please.



*With the Private Secretary's Compliments*

Law Hylker

**DEPARTMENT OF EDUCATION AND SCIENCE**

Elizabeth House  
York Road  
London SE1 7PH

Telephone 01-928 9222

Frd 2095

## ETHNIC MINORITY PUPILS

### Oral Statement by the Secretary of State for Education and Science Delivered on 14 March 1985

1. With permission, Mr Speaker, I wish to make a statement about the final report, published today, of the Committee of Inquiry into the education of children from ethnic minority groups. Also published today is a guide to the main issues in the report written at my invitation by the chairman, Lord Swann, which I am arranging to be sent to all schools. Copies of both documents are available in the Vote Office.
2. The Government is profoundly grateful to the chairman and members of the Committee for their long and dedicated labours on an issue of crucial importance. We believe that we have a duty to the House, to the ethnic minorities, and to the nation as a whole, to declare immediately where we stand on this issue.
3. The Government accepts the Committee's finding that many ethnic minority pupils are achieving below their potential and recognises the concern that is felt about this among their parents. We shall strive to improve the position through three broad lines of policy.
4. First, under-achievement is not confined to the ethnic minorities. Many in the majority community could be doing far better, and I am determined that they too should be helped, wherever they are at school. As the House knows, our policies for schools are designed to raise the performance of all pupils and to tackle the

obstacles to higher achievement which are common to all. These policies apply to all pupils irrespective of ethnic origin. As they bear fruit, ethnic minority pupils will share in the benefit.

5. Second, we are determined to give ethnic minority pupils the same opportunity as all others to profit from what the schools can offer them. We are tackling the obstacles to opportunity, notably by promoting good practice in the teaching of English as a second language.

6. Third, we want the schools to preserve and transmit our national values in a way which accepts Britain's ethnic diversity and promotes tolerance and racial harmony. Whether or not a school contains ethnic minority pupils, its ethos and curriculum should promote understanding and respect among all its pupils for the different ethnic groups who now contribute to our national life.

7. These three lines of policy are being supported by a number of measures. I have referred to the steps the Government is taking to raise pupil achievement generally. The need to take account of the ethnic diversity of our society has been written into the new criteria which will govern initial teacher training and the GCSE examinations, and will be incorporated in the objectives for the relevant subject areas of the school curriculum which we are formulating in co-operation with the education service. The same need lies at the heart of a group of projects, totalling some £1m in 1985/86, which will be supported through the new Education Support Grant scheme, and of some urban programme projects. I shall propose to the local authority associations that from 1986/87 onwards the in-service training grant scheme should include training dealing

With the need to respond to ethnic diversity. Meanwhile in English language and mother tongue teaching the good practice endorsed by the Committee will continue to be encouraged and disseminated by Her Majesty's Inspectorate and supported by grants made by my Rt Hon Friend, the Home Secretary, under Section 11 of the Local Government Act 1966. These measures are essentially designed to change attitudes; they will not entail an increase in local authority expenditure as a whole.

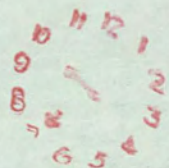
8. Policy for the good education of ethnic minority pupils needs information which is adequate to measure and secure progress. Some local authorities already collect information on pupils on an ethnic basis. As the Committee's Interim Report recommended, I have been exploring with the education service and the ethnic minorities the collection of ethnically based statistics on school pupils. There are legitimate concerns and practical difficulties. I hope soon, however, that this work will come to a successful conclusion so that all local authorities can operate acceptable and mutually compatible schemes which respect confidentiality. The Committee recommended that, without positive discrimination and without any reduction in the required level of qualification, an increase in the proportion of ethnic minority teachers should be sought. The Government accepts this recommendation. I intend to consider with the education service and the ethnic minorities how it might best be pursued. I shall consult about the possibility of establishing acceptable arrangements for the collection of statistics on ethnic minority teachers and students in teacher training as the Committee also recommends.

9. We badly need more hard information about the effect on achievement of factors in and out of school. I intend to commission research which will look at these factors, and at the extent to which they contribute to under-achievement among pupils of all backgrounds; ethnic minority pupils would be one part of such a study.

10. The report contains many detailed recommendations which I will consider in consultation with those concerned in the education service and outside it. I shall also consider what might be done in these matters in further education, which was outside the Committee's remit. But to forestall unfounded fears or hopes the Government wishes to make clear that it cannot accept four recommendations in the report. We do not intend to change the present statutory requirements for daily collective worship and for religious education in maintained schools. Nor do we wish in any way to call in question the present dual system of county and voluntary schools. It remains our policy not to extend mandatory student awards to any form of study which precedes higher education. And we see no immediate prospect of legislation to amend Section 11 of the 1966 Act. Its operation has been fully reviewed and new administrative criteria have applied since January 1983 which have allowed its wider and more flexible use.

11. These four matters are not at the heart of this issue. It is the policies and practical actions which I have outlined that offer the best prospect of mobilising the combined efforts of the education service to the vital, but difficult, task of reducing under-achievement at school and promoting good education in our multi-ethnic society.

14 MAR 1985





PRIME MINISTER

You will recall that Sir Keith Joseph agreed to provide a summary of the White Paper on Schools which could be published alongside the lengthy White Paper itself. A copy of a draft of the summary is attached, on which Sir Keith is seeking urgent comments.

We think the summary is much too long. It amounts to 26 pages and 69 paragraphs. Anyone willing to read it would probably be willing to plough through the White Paper. A good account of the main points that the White Paper makes could probably be set out in half a dozen pages.

There are also several more detailed points on the draft which need looking at. I have highlighted one particular hostage to fortune at para. 65. ✓

If you agree, I will send a reply indicating your strong feeling that the summary is far too long to achieve its objective, and noting there are one or two points which need particular attention. Though Sir Keith says the timing is very tight, I think we can take it that there is still an opportunity to have another go at this exercise.

Conveyed  
6/25/85  
I assume  
the  
to be press  
release which  
is attached  
to a real  
short summary.

The "summary" is well-written

Mark Addleton

and interesting (it could be the paper itself!) so I am reluctant

to discourage them by being critical of

13 March 1985

its length: I think we will have to let it go - but the point in para 65 - must be changed. Thanks for spotting it  
NB



DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH  
TELEPHONE 01-928 9222  
FROM THE SECRETARY OF STATE

Lord Whitelaw  
Lord President of the Council  
68 Whitehall  
LONDON SW1

13 March 1985

RESTRICTED

*Dear Sir,*

WHITE PAPER ON SCHOOLS

When H Committee approved the publication of the White Paper on Schools, I was asked to circulate the summary of it (which I propose to publish simultaneously) for information and, if there was time, for comment. I attach a copy of the summary. As printing schedules are tight any comments should reach me by the start of business on Friday 15 March.

I am sending copies of this letter to the Prime Minister, all members of H, the Secretary of State for Trade and Industry, the Minister without Portfolio and to Sir Robert Armstrong.

*Keith*

R E S T R I C T E D

DRAFT

1. This booklet briefly describes the Government's policies for schools in England and Wales set out in the White Paper "Better School" published in March 1985.

THE GOVERNMENT'S NEW MEASURES

2. The Government aims:

- (1) to raise standards at all levels of ability;
- (2) to secure the best possible return from the resources which are invested in education.

3. The Government will:

- take the lead in promoting national agreement about the purposes and the content of the curriculum;
- encourage schools to do more to fulfil the vital function of preparing all young people for work;
- complete the reform of the public examinations taken at age 16 in the interest of the curriculum and standards;
- introduce a new examination, the AS level, to broaden the programme of students on A level courses;
- work towards a national system of records of achievement;
- make the in-service training of teachers more effective through new financial arrangements;

## R E S T R I C T E D

- give school governing bodies a more balanced membership, and improve the distribution of functions of governors, local education authorities and heads in regard to their schools;
- propose new guidelines on the minimum size of schools;
- take steps to reduce under-achievement, including that found among many ethnic minority pupils;
- tackle truancy through improvements in the work and training of education welfare officers.

### THE PRESENT SITUATION

4. There is much to admire in our schools. Over the last 30 years the school system has expanded and adapted. There have been marked improvements in both primary and secondary education. Many schools cope well, some very well, with their increasingly exacting task. But a number of weaknesses, some of them serious, are found in the others. The Government believes that the standards now generally attained by our pupils are neither as good as they can be, nor as good as they need to be for the world of the 21st century. School education should do much more to promote enterprise and adaptability and to fit young people for working life in a technological age. If the high standards achieved by pupils of all abilities in some schools could be achieved in all schools in similar circumstances the quality of school education would rise dramatically.

5. In the best primary and middle schools pupils achieve very high standards of competence and consolidate their positive personal qualities through a broad curriculum. But in only a minority of schools is the best practice of individual teachers adopted throughout the school. In about three-quarters of schools the curriculum is not well planned or effectively put into practice. In a majority of primary and middle schools there is over-concentration on practising basic skills in

R E S T R I C T E D

literacy and numeracy without relating them to real situations. Many children are still given too little opportunity for work in the scientific, practical and aesthetic areas. In about half of all classes much work is too closely directed by the teacher and there is little chance for oral discussion or setting and solving practical problems. Many teachers do not expect enough of their pupils; in most classes able pupils are insufficiently stretched and the weaknesses of the less able are not tackled appropriately.

6. By the end of the primary phase many pupils have achieved only a shaky foundation for some of their subsequent work, partly because teachers do not always insist that pupils should adequately understand the essentials and partly because they underestimate the pupils' potential.

7. The best secondary schools provide a broad curriculum in which pupils of all abilities reach high standards. They turn out young people with self-confidence, self-respect and respect for others, who are enterprising, adaptable, and eager and well equipped to face the adult world. But in most secondary schools agreed curricular policies appear to have little influence on the whole school. Many departments fail to put into practice their own and the school's declared aims and objectives.

8. In a large minority of cases, teachers' expectations of what pupils could achieve are clouded by inadequate knowledge and understanding of each pupil's aptitudes and difficulties; teaching is frequently directed at the middle level of ability so that the most able pupils are under-stretched and the least able cannot cope. In virtually all secondary schools and departments there is often excessive direction by the teacher and pupils have too few opportunities to learn for themselves. In about one-fifth of secondary schools there is a serious problem of teachers having to teach a subject outside their competences.

9. The best special schools provide an education well suited

## R E S T R I C T E D

to their pupils' capabilities and needs. But many special schools show many of the weaknesses found in primary and secondary schools.

### THE NEED FOR ACTION

10. Not all the weaknesses in our schools are the fault of the schools, or of the education service; many stem from the wider problems facing our society. The Government has a duty to act where it can. Together with its partners in education it will take action in 4 areas of policy:

- (1) the curriculum;
- (2) the examination system and assessment;
- (3) the professional effectiveness of teachers and the management of the teacher force;
- (4) school government and the contribution which can be made to good school education by parents, employers and others outside the education service.

### CURRICULUM

#### Objectives

11. There is widespread acceptance of the view that broad agreement about the objectives and content of the school curriculum is necessary for the improvement in standards which is needed. Initial agreement will take time and will then need to be reviewed as circumstances change. As the process develops, the Government after consultation will issue statements of policy, and HMI will continue to publish discussion papers. The objectives will be based on the best practice in LEAs and schools.

R E S T R I C T E D

12. The objectives are intended to have practical effect by becoming the basis of the curricular policies of:

- (1) the **Secretaries of State**, who need a curriculum policy for discharging their statutory duty to promote the education of the people of England and Wales and their more specific duties, for example in relation to the pattern of schools and the supply and training of teachers;
- (2) the **local education authorities**, for exercising their functions in such matters as the pattern of schools, the provision of resources, and the management of the teaching force;
- (3) the **schools** for organising and carrying out the actual work of teaching.

The objectives will be applied with differences of emphasis and balance to reflect local circumstances and local judgment. The Secretaries of State's policies for the range and pattern of the 5 to 16 curriculum will not lead to national syllabuses. Diversity at LEA and school level is healthy, accords well with the English and Welsh tradition of school education, and makes for liveliness and innovation.

13. Reports made by LEAs to the Government show that nearly every LEA will shortly have an explicit policy for the curriculum as the basis of its work, but that many LEAs' policies do not yet extend to all the matters for which a local policy is needed.

14. There is wide agreement about the purposes of learning at school, in particular that pupils should develop lively, enquiring minds, acquire understanding, knowledge and skills relevant to adult life and employment and develop personal moral values. To serve these purposes the Government believes that the curriculum offered to every pupil, whether at an ordinary school or a special school, should be:

## R E S T R I C T E D

- (1) **broad**: it should introduce the pupil to a wide range of knowledge, understanding, and skills.
- (2) **balanced**: each part should be allotted sufficient time to make its special contribution, but not so much that it squeezes out other essential parts;
- (3) **relevant**: subjects should be taught so as to bring out their applications to the pupils' own experience and to adult life, and to give due emphasis to practical aspects;
- (4) **differentiated**: what is taught and how it is taught needs to be matched to pupil's abilities and aptitudes.

A curriculum founded on these four principles will serve to develop the potential of every pupil and to equip all for the responsibilities of citizenship and for the challenge of working life in the world of tomorrow. It is now necessary to alter the balance within the curriculum and the emphasis in teaching it.

### The progression through the school system

15. About 80% of children are at school before they are five, in a nursery school or class or in the youngest class of a primary school. LEAs face problems of priority in determining the type and distribution of schools for the under fives. They have rightly tried to give preference to those children who most need help. The Government will aim to secure that LEAs' expenditure on the under fives should continue, in cost terms, within broadly the same totals as at present.

16. Primary education is as important as secondary education. From the beginning of primary education, and throughout the compulsory period, each stage should help pupils to make the most of the process of growing up, to develop positive personal



R E S T R I C T E D

qualities and attitudes, and to establish solid foundations for what follows. The Government welcomes the wide agreement that throughout primary education and for the first 3 years of secondary education the curriculum should continue to be largely common to all pupils, but varied in pace and depth for differences in ability and maturity.

16A. There should be some choice in the curriculum for the fourth and fifth years of secondary education but no pupil should be allowed to drop subjects whose continued study may be essential for subsequent learning, training or work. The Government believes that every pupil needs to continue in these years with English, mathematics, a broad science course, and normally physical education or games; should study elements drawn from the humanities and the arts; should consolidate their understanding of the values and foundations of British society and develop economic awareness; and should take part in practical and technological work in a number of subjects, not least science. Most pupils should also continue with a foreign language, given Britain's membership of the European Community and her place as a trading nation. The place of religious education is governed by law; the Government does not intend to change this.

17. A 5-16 curriculum on these lines will encourage the qualities, attitudes, knowledge, understanding and competences which are necessary to equip pupils for working life. With this aim in view the Government has established the Technical and Vocational Education Initiative, which will explore how best to fit work-related skills within initial full-time education. It is supporting in most LEAs pilot projects for coherent courses at schools and colleges leading to recognised national qualifications over a 4-year period starting at age 14; the courses offer in the compulsory years a broad general education with a strong technical element followed, post-16, by increasing vocational specialisation. The Government will consider the wider application of the lessons of the TVEI..

R E S T R I C T E D

Levels of attainment

18. It is the Government's longer-term aim to raise pupil performance at all levels of ability so as to bring 80-90% of all 16-year-old pupils at least to the level of attainment now expected and achieved by pupils of average ability in individual subjects, ie the level associated with grade 4 in the CSE examination; and to do so over a broad range of knowledge, understanding and skills in a number of subjects. The Government will work towards a more precise definition of what pupils of different abilities can be expected to achieve at age 11 and 16. This will be a difficult task. A start is being made in the new series of HMI discussion papers and, for age 16, in the development of grade criteria for the new GCSE examinations; the work will be supported by the findings of the Assessment of Performance Unit (APU).

19. In addition to the TVEI, the Government is supporting, through education support grants the improvement of several aspects of the curriculum, notably the teaching of mathematics in schools; science teaching as part of primary education; and pilot projects to improve education in urban and rural primary schools. The Government will continue to consult with its partners about the balance of the essential elements within the curriculum, particularly for the fourth and fifth years of secondary education.

**EXAMINATIONS**

20. The Government attaches great importance to public examinations at school. Examinations need to be designed and used to serve the curriculum. They are also an important preparation for employment. The Government, advised by the Secondary Examinations Council (SEC) has taken action to improve secondary examinations and assessment.

GCSE

21. The new General Certificate of Secondary Education (the GCSE) will replace O levels, CSE and the joint 16+ examinations. The first examinations will be held in 1988. The GCSE will be a single system, with a seven-point scale of grades, A-G, and with differentiated assessment, using suitably differentiated papers or questions. It will operate under nationally agreed criteria published in March 1985 which have been developed by the examinations boards and approved by the Secretaries of State. These criteria will place a new emphasis on understanding, the application of knowledge and oral and practical skills. They will be extended to include grade criteria which will define the main aspects of each subject which the examinations will be designed to test and the levels of attainment expected of candidates for the award of particular grades. The GCSE will be designed for all candidates, whatever their abilities relative to others, who are able to reach the standards - attainable but stretching for each ability level - required for the award of specific grades. It will be administered by 5 groups of boards in England and Wales. A special programme of training is being mounted to help all the teachers concerned to prepare for the introduction of the GCSE.

22. In order to encourage the ablest pupils to pursue a broad and balanced curriculum, the Government has published for consultation proposals for Distinction and Merit Certificates to reward candidates obtaining good grades in a specified range of subjects.

Pre-vocational courses

23. The Government will establish a working party, under an independent chairman, with representatives of the examining and validating bodies concerned, and serviced by the SEC, to draft national criteria for pre-vocational examination courses taken by pupils of statutory school age.

## R E S T R I C T E D

24. The Certificate of Pre-vocational Education (CPVE) is a new post-16 qualification for those who are not pursuing A levels or retaking, or adding to, subjects for the GCSE. CPVE courses will have general, practical and vocational elements. They are intended to replace a range of existing courses, including the pre-vocational courses of the the City and Guilds of London Institute, the Business and Technician Education Council and the Royal Society of Arts, and the Certificate of Extended Education offered by the CSE and the GCE Boards.

### AS levels

25. The Government is committed to keeping A levels. It has decided to introduce a new examination in 1989, the Advanced Supplementary (AS) level examination so as to promote greater breadth for those engaged in A level studies without reducing standards. This will widen the choice of subject combinations available to A level students and so help to prepare them better for adult life and employment. The Government will invite the GCE Boards to prepare syllabuses, in cooperation with the SEC, higher education and others. Each syllabus will require about half the study time of an A level course; the general quality of work demanded for the award of any grade will be comparable with that of A level courses, so that full credit may be given to AS level success in higher education admission processes.

### Records of Achievement

26. Many schools, including those taking part in the TVEI, are developing schemes to record and give credit for what pupils achieve beyond the results of public examinations. The Government, through education support grants, is supporting 9 pilot schemes of records of achievement. The aim is to ensure by the end of the decade that all pupils leaving school will be provided with a record which recognises their achievements at school, including their examination successes.

## R E S T R I C T E D

### DISCIPLINE

27. All schools recognise that nothing so quickly undermines their efforts as a failure to keep in check discourtesy, disorder and disruption. Many schools consistently secure good order. They attempt to create positive attitudes towards good behaviour in all that they do. The effectiveness of schools in promoting good behaviour and self-discipline bears on wider social problems such as juvenile crime. The public rightly regard standards of pupil behaviour as a touchstone of the quality of the school system. The poor standards found in a small minority of schools give rise to widespread concern and anxiety. The LEAs and schools concerned have an urgent duty to tackle this problem.

28. More schools should offer more opportunities for pupils to acquire the habit of self-discipline, encourage and reward high standards of conduct, and rely less on disciplinary sanctions. The Government has introduced legislation which will give parents the right to exempt their children from corporal punishment at school. Schools and parents should co-operate in the matter of pupils' behaviour.

### TRUANCY

29. In particular parents should support the school on attendance. Truancy involves only a small minority of pupils and parents, but reaches especially worrying levels in the fourth and fifth years of some secondary schools. In too many cases the pupil's absence is condoned by the parents. A better curriculum and more effective teaching should reduce truancy where it results from boredom.

30. The Government is issuing a circular about school attendance and the Education Welfare Services. These services should focus more sharply on attendance. LEAs will be asked to review the services and inform the Government about their

## R E S T R I C T E D

policies. This information will be used in the national consultations on the training of education welfare officers, which the Government propose to set in hand this year. In 1986 it will seek detailed information from LEAs about their arrangements for reducing truancy through their Education Welfare Services.

### PARENTS AND SCHOOLS

31. The Education Act 1980 enabled parents to:

- (1) express a preference as to which schools they wish their children to attend;
- (2) apply for a place on the Assisted Places Scheme under which parents of bright children of secondary school age who could not otherwise afford a place in a good independent school are helped with fees;
- (3) have a greater say in the running of schools through the election of parent governors.

32. Since parents too are educators schools should explain their aims and policies to parents and work closely with them, as many schools now do. Schools cannot hand over to parents activities which can be properly conducted only by teachers. But many schools should take a wider view of how parents can support at home what the schools seek to do, and assist with the school's daily work. There are some parents who would like to co-operate with the school but who lack confidence to come forward or are held back by other difficulties. A number of schools have developed schemes to reach out to support these parents.

### TEACHING QUALITY

#### The teacher's professional task

33. The tasks that schools are expected to undertake fall

R E S T R I C T E D

in the main to the teachers, and the progress of the pupils is the measure of their success.

33A. Every teacher needs a repertoire of teaching skills to match the range of his work, and the characteristics of the pupils. Organising classroom work, the provision of practical activities and the development of oral and written communication all make different demands on the teacher, who has to lead, encourage and motivate pupils in a way which excites their interest and engages intellectual curiosity. As a guide and mentor to each individual pupil the teacher must monitor and record pupils' progress and understand individual capacities and difficulties. The professional work of the teacher also involves playing a part in the corporate development of the school.

34. To fulfil satisfactorily this variety of roles in primary and secondary schools, teachers need:

- solid expertise in one or more curriculum areas;
- training and practice in classroom skills
- appropriate personal qualities.

35. Like other professionals, teachers are expected to carry out their professional task in accordance with their judgement, and without bias. This requires not only appropriate training and experience but also the professional attitude which gives priority to the interests of those concerned and is constantly concerned to increase effectiveness.

36. Particular professional skills and training are necessary for teaching children with special needs. The Government considers that all initial training courses should include an introduction to the subject of special needs, that advice on special needs should be available to every school, and that teachers of classes of children with special needs should be prepared for that work by in-service training.

Teacher numbers

37. In 1984, LEAs in England and Wales employed 439,000 school teachers, and the overall pupil to teacher ratio was 17.9:1. In 1974 the corresponding figure was 20.6:1. In the light of its policies for the curriculum the Government considers that although the number of teachers should fall during the next few years there should be some further limited improvement in the pupil to teacher ratio. How far and how fast this can be achieved must depend on future public expenditure plans; and it will be essential to find ways of improving the effectiveness with which the existing teacher force is deployed.

Quality of teaching

38. There is much excellent teaching in maintained schools but the Government's view, following HMI reports, is that a significant number of teachers are performing below the standard required to achieve the planned objectives of schools.

39. The Government plans a more rigorous approach to initial teacher training . The Government established during 1984 a new Council to advise the Secretaries of State on the approval of initial teacher training courses, and issued criteria in April 1984 which deal with:

- the selection of students for training;
- the academic and professional content of courses;
- the practical element of training.

All courses should include a substantial element of school experience and teaching practice. Those training the students should have had recent successful experience of schoolteaching. In no case should qualified teacher status be awarded to a student whose practical classroom work is unsatisfactory.



## R E S T R I C T E D

40. In addition to being prepared as a class teacher, each new primary school teacher should be equipped to take a particular responsibility within the school for one aspect of the curriculum - such as science, mathematics or music.

41. In secondary schools teachers teaching a subject at GCE 'A' level should desirably have that subject as the whole or part of their studies for an honours degree, or in certain cases as the single subject of an ordinary degree. For other secondary work the teacher's academic background should include his main teaching subject as one of two or three subjects taken at the same level in a BA or BSc degree, or as the main subject in a BEd degree.

42. A good match between teachers' qualifications and their teaching programmes is one of a number of factors which promote high standards. Work of excellence is rarely found where match is poor. The Government will shortly amend the Education (Teachers) Regulations 1982 to require LEAs and governors of aided schools to take account of the formal qualifications of teachers when determining whether the staff of a school is suitable for the purpose of providing education appropriate to its pupils. The Government welcomes indications from a 1984 survey of secondary school staffing of a reduction in mismatch since 1977, and looks to LEAs and schools to secure further reductions in the years ahead.

### Demand for, and supply of, recruits to teaching

43. Shortages of teachers in certain specialisms - in particular mathematics, physics, and craft, design and technology - have persisted for many years. In some cases they have been masked by the use of teachers with inadequate qualifications and experience in these subjects. In other cases schools have offered such subjects to fewer pupils than they would have wished. The Government's view of the place of science and craft, design and technology in the 5-16 curriculum implies some increase in their share of teaching time in the schools.

## R E S T R I C T E D

44. The Government will take existing shortages into account in determining target intakes to initial teacher training, but recognises that the institutions concerned have to compete against other professions in seeking to recruit students up to those targets. After some years of good recruitment to postgraduate training in mathematics and physics there are signs that it is now again becoming harder to attract students in those subjects also. Because recruitment to training of craft, design and technology has continued to be difficult, the Government has introduced a scheme of special awards for training in that subject. The Government will give further consideration to this difficult problem.

### In-Service training

45. In-service training has an important contribution to make to the career development of teachers. All teachers need from time to time to avail themselves of such training.

46. Resources devoted to in-service training are not always being used to the best advantage. More systematic planning is needed by schools and LEAs to match training better to both the career needs of the teachers and the curricular needs of the schools. The Government agrees with the Advisory Committee on the Supply and Education of Teachers that a radical change is needed in the funding and organisation of in-service training.

47. Legislation is proposed for the introduction of a new specific grant to support LEA expenditure on most aspects of in-service training.

### Management of the teacher force

48. One crucial LEA responsibility is to see that the teachers' professional commitment, skills and knowledge are used to best effect in the schools.

R E S T R I C T E D

49. Individual teachers need support and encouragement for their professional development at all stages of their career:

- newly trained teachers need structured support and guidance during probation and their early years in the profession;
- other newly appointed and promoted teachers, not least those appointed to headships, need to be able to draw upon induction and training programmes directly relevant to their new tasks and responsibilities;
- all teachers need help in assessing their own professional performance and in building on their strengths and working on the limitations identified;
- all teachers need to be able to engage in in-service training relevant to their teaching programmes and professional needs.

50. Regular and formal appraisal of the performance of all teachers is necessary if local authorities are to have the reliable, comprehensive and up-to-date information necessary to facilitate effective professional support and development and to deploy teaching staff to the best advantage. Legislation is proposed to enable the Secretary of State, in appropriate circumstances, to require LEAs to appraise the performance of their teachers.

51. The Government has decided that the professional development and assessment of the suitability of newly appointed headteachers is best pursued as part of a general appraisal system embracing all teachers, rather than through the introduction of a specific probationary period.

## R E S T R I C T E D

### LOCAL EDUCATION AUTHORITY MANAGEMENT

52. In order to manage the service it provides, each LEA needs professional advice across the whole range of its responsibilities. The Chief Education Officer and his professional staff, including advisers, are the principal means through which the LEA performs its functions. The Government is considering with the local authority associations how the role of local advisers in England might be clarified and their work made more effective. LEAs, too, will gain from the assessments in HMI reports. The Secretaries of State intend in 1986 to ask LEAs what action they have taken across their schools in the light of HMI reports since publication began in January 1983.

### MINIMUM SIZE OF SCHOOLS

53. In the interest of good education, each school should as far as possible be kept large enough to justify sufficient teachers to provide all pupils with a curriculum which is broad, balanced, relevant and differentiated. The Government will propose the following principles to the education service:

5-11 schools: where possible they should have at least one new class entering each year.

7-11 schools: where possible they should have at least two new classes entering each year.

Small Primary Schools: In general pupil numbers should not fall below the level at which three teachers are justified. In isolated areas it is often right to keep a village school with fewer than three full-time teachers and to augment its resources to give the pupils a good education.

## R E S T R I C T E D

11-16 Comprehensive Schools: A school with five or fewer classes entering each year is unlikely to be able to offer a good curriculum without disproportionately generous staffing.

Comprehensive Schools with Sixth Forms: Normally the school needs to be of a size which enables it to maintain a sixth form of at least 150 pupils, to provide an adequate range of 'A' level and other courses. With fewer pupils than this, effective co-ordination with other institutions is usually essential for the needs of sixth form pupils.

### THE EDUCATION OF ETHNIC MINORITIES

54. The Government accepts and is concerned at the finding of the Swann Committee that many ethnic minority pupils are continuing to achieve below their potential. The Government's policies are designed to:

- (1) reduce under-achievement wherever it occurs;
- (2) remove the educational obstacles which hold back particular groups of pupils;
- (3) support the work of the education service in preparing pupils for an ethnically mixed society which is working towards racial harmony.

55. Schools should continue to give the highest priority to the teaching of English to ethnic minority pupils from homes where a language other than English is spoken. The Government supports this work financially. All pupils need to understand, and acquire a positive attitude towards, the variety of ethnic groups within British society. These objectives have been embodied in the national criteria for the GCSE examinations and in the new criteria for all initial teacher training courses. Their practical application is the purpose of some urban programme projects, and one of the activities to be supported by education support grants.

## R E S T R I C T E D

56. The Government will explore with its partners how more teachers can be drawn from the ethnic minorities without any reduction in the level of qualification required. So as to provide accurate information for formulating and monitoring policy, the Government, despite the practical problems, will continue to try to identify an acceptable scheme to collect and use ethnically based statistics on pupils. It will also explore the possibility of similar statistics on teachers and those training to be teachers. The Government intends to commission research into the complex question of the causes of under-achievement, wherever it occurs.

### **THE LEGAL FRAMEWORK**

57. The Government believes that the action now needed to raise standards can, in the main, be taken under existing legislation. But changes in the law are needed to reform the composition of school governing bodies and to clarify their functions and those of the LEA and headteacher. Following consultations on the Green Paper 'Parental Influence at School', the Government will introduce legislation as soon as the legislative programme permits.

#### **Composition of Governing Bodies**

58. As a result of the consultations the Government has decided not to proceed with the plan for parents to have a majority on governing bodies of county, controlled and maintained special schools. The composition of governing bodies of these schools will be based on the following main principles:

- (1) no single interest will predominate;
- (2) there will be equal numbers of parents and LEA governors;
- (3) the existing statutory rights of headteachers, other teachers, foundation governors and minor authorities will be preserved;

R E S T R I C T E D

- (4) to give governing bodies a broader membership there will be an extra category of governors who will normally be co-opted jointly by the other governors;
- (5) the number of governors, ranging from 9 to 19, will depend on the number of pupils at the school;
- (6) if too few parents should offer themselves to serve as governors the LEA will be required to fill the parent governor vacancies by appropriate appointments;
- (7) to reduce turnover in membership, governors will serve for four years and parent governors will be allowed to complete their term of office after their children leave the school.

Functions and Responsibilities

59. With minor modifications, the Government plans to implement its earlier proposals on the distribution of functions between the LEA, the governing body and the headteacher of county, controlled and maintained special schools in accordance with the following principles:

- (1) The LEA must have the powers necessary to carry out its statutory duties to provide sufficient and efficient schools, notably as the employer of staff, responsible for their appointment, dismissal and management; as the provider of resources, responsible for their effective use; as the owner of most of the premises, responsible for their fitness for purpose; and in relation to the curricular policies which inform its functions.
- (2) The governing body should be able to determine, with the headteacher, the main policies and lines of

## R E S T R I C T E D

development of the school. This generally means strengthening its role and ensuring that it cannot be overridden in the exercise of its assigned functions. It will have a voice in the appointment and dismissal of the school's staff, the aims and objectives of the curriculum, and the principles governing discipline; it will be informed of the cost of maintaining the school and given control over expenditure on certain items. Governors will receive training to help them do their job effectively.

- (3) The professional responsibilities of the headteacher and staff must be respected. The responsibility of the headteacher for the day-to-day running of the school will have a firm legal foundation, notably in relation to the appointment and dismissal of staff, the organisation and delivery of the curriculum and the maintenance of discipline.

### Annual report and parents' meeting

60. The governing body will be required to issue, free of charge, to the parents of all pupils at the school a brief annual report on the discharge of its functions; and to call an annual meeting of parents to consider the annual report and other matters relating to the life of the school.

### Voluntary Schools

61. The Government intends to preserve the dual system of county and voluntary schools which continues to serve the nation well. The distinctive features of voluntary schools will continue, including those relating to the composition of their governing bodies. Governing bodies of aided and special agreement schools will keep their existing functions, subject to minor changes.



R E S T R I C T E D

RESOURCES

62. The number of pupils in primary and secondary schools is expected to fall from over 7.8 million in 1984 to some 7.1 million in 1991. If current levels of expenditure per pupil are broadly maintained, education's share of public expenditure can be expected to decline significantly.

63. As pupil numbers fall, there will be diseconomies of scale. Nevertheless within the available resources the Government believes that there is also considerable and continuing scope for redeployment through increased efficiency. Sustained and purposeful action will be needed:

- (1) To reduce the number of surplus school places. The Government will set new overall targets of surplus places to be removed for 1987 and later years and will discuss these with the local authority associations.
- (2) To achieve available economies on school meals. The Government is consulting on a proposal that the school meals service should be subject to compulsory competitive tendering.
- (3) To reduce school caretaking and cleaning costs.
- (4) To follow up the valuable analysis and recommendations of the Audit Commission for securing better use of resources.

64. Education Support Grants, introduced in 1985-86 will help to promote the redeployment of expenditure into activities which particularly advance the Government's objectives.

65. The Government acknowledges that it may be difficult to achieve in full the objectives of the White Paper within

## R E S T R I C T E D

existing real levels of expenditure per pupil. But substantial progress can be made if the education service secures the best use of what it has now. That effort can only help its future claims on resources.

### THE INDEPENDENT SECTOR

66. Independent schools provide, at any one time, for about 6 per cent of the school age population in England and Wales. The Secretaries of State have a general responsibility towards independent schools because these are part of the national system. They also have specific duties to ensure that such schools meet minimum standards. To assist the Secretaries of State independent schools are periodically visited and inspected by HMI.

67. There has been a long tradition of high standards and innovation at the best independent schools. The independent sector contributes significantly to diversity and choice in our school system. The Government is committed to preserving and fostering the independent sector's enriching contribution. But independent schools vary greatly in quality. Diversity cannot be pursued at the expense of standards. Accordingly, each independent school is expected by the Secretaries of State to seek to develop the personal qualities of each pupil and, in appropriate accommodation, to give him tuition in a broad and balanced range of subjects. The tuition must be appropriate to the pupil's age, ability and aptitudes and be offered with due regard to objectivity.

### FUTURE PROGRESS

68. Multiple objectives and changing expectations make it difficult to measure the performance of the school system. But it is possible to identify certain indicators and to attempt to compare present and future achievement in relation to them. Such monitoring, though incomplete, is essential for assessing policy. To facilitate comparisons over time:

R E S T R I C T E D

- (1) Full information will be collected about the academic qualifications of newly trained teachers.
- (2) The Government intends to repeat at five year intervals the 1981 survey into the quality of newly trained teachers and the recent survey of staffing of the secondary schools. It will explore with its partners the feasibility of similar surveys of the staffing of primary schools.
- (3) The Government will publish accounts, based on surveys conducted by the Assessment of Performance Unit, of levels of performance achieved in various aspects of mathematics, science, English, foreign languages and technology by pupils aged 11 and 15.
- (4) The GCSE examination will in due course make it possible to monitor much of what pupils know, understand, and can do by age 16.

69. The Government is confident that, within the lifetime of this Parliament:

- (1) broad agreement will be reached on those national objectives for the 5-16 curriculum which relates to the purposes of learning at school, the content of the curriculum as a whole, and the contribution of its main elements.
- (2) The first GCSE courses will be leading to examinations based on new grade criteria in most subjects.
- (3) The first AS level courses will be starting.

R E S T R I C T E D

- (4) Schemes for records of achievement will be widespread.
- (5) Initial teacher training will conform substantially to the new criteria laid down by the Secretaries of State.
- (6) A start will be made in improving the composition and entrenching the powers of school governing bodies.
- (7) The TVEI will be established in the great majority of local education authorities.

The Government believes that, with good management of the teacher force and other resources by LEAs and schools, the range of reforms and improvements now envisaged can be firmly established throughout the school system by the end of the decade.

CONFIDENTIAL

SUBJECT  
cc Master.



Jiu  
DEANN  
be. OL

10 DOWNING STREET

*From the Private Secretary*

12 March 1985

The Prime Minister today met Baroness Cox, Professor Arthur Pollard and Dr. John Marks, together with your Secretary of State. Oliver Letwin also attended.

Baroness Cox explained that she and her colleagues were concerned that the Government should now be taking some radical initiatives in the education field, which would be both fully in line with Conservative philosophy and have much popular appeal. Baroness Cox identified five suggestions which she and her colleagues wished to put to the Prime Minister.

First, Baroness Cox believed that, within the State system, some schools should develop a role as centres of excellence. Their field of specialisation need not be narrowly restricted, but might encompass anything from mathematics to physical education, depending on what was appropriate for the school in question. A similar idea had been tried in the United States, with their "magnet" schools, and was proving very successful. Voluntary aided schools here might be particularly suitable for development in this way; they were currently being squeezed as local authorities sought to fill up the maintained schools at their expense. The Prime Minister was sympathetic to the idea of developing centres of excellence. Every child should have a good basic general education though there was no reason why this should not be combined with specialisation too. Baroness Cox's proposal however needed to be thought through carefully. Sir Keith Joseph agreed to discuss it further with her and her colleagues.

Baroness Cox's second concern was that guidance should be issued by Sir Keith to inhibit the intrusion of political propaganda into schools. Many schools would welcome guidelines on how controversial material like this should be tackled. Some of the documentation produced by ILEA and sent to all schools (examples of which Baroness Cox passed to the Prime Minister) was blatant political propaganda,

CONFIDENTIAL

particularly that relating to peace issues. There were examples too of schools setting up "anti racist" and "anti sexist" events, and parents were often deterred from complaining because of their worry that the teachers would take it out on the child. The Prime Minister sympathised with Baroness Cox's concern, though the intellectual resilience of pupils should not be underestimated, and, in the right context, proper discussion of all points of view within schools was the healthiest approach. The problem was that the propagandists were intent on destroying the basic social values on which constructive discussion depended. Sir Keith's need was to get sound evidence of examples of teachers attempting to politicise pupils, and the information provided by Baroness Cox and her colleagues was helpful. He said he would be happy to consider further with them the possibility of converting his recent speech on this subject into guidance of the kind suggested.

Baroness Cox's third concern was that sensible views on education should be more effectively represented, particularly through the Party and in Parliament. One step would be to arrange a meeting with the backbench Education Committee, and Sir Keith Joseph agreed to take this forward. He also said he would look at the representativeness of the Secondary Examinations Council.

Baroness Cox's fourth concern related to the overall structure of higher education, particularly in London. The university had been severely disrupted recently because of reorganisations, and London's eight polytechnics seemed to be doing well at the university's expense. The North London Polytechnic was a continuing problem, despite the inquiry currently under way. The sensible way forward was to look at the structure of higher education across the board. The Prime Minister believed the best route was to take the polytechnics out of ILEA's area of responsibility. Sir Keith noted the difficulties with this course, and legislation would of course be needed. He would consider it further, but it would be sensible to await the report of the NLP inquiry.

Finally, Baroness Cox referred to her continuing concern that membership of student unions should be voluntary. She recognised that many important functions were undertaken by the students union. But fact was that of the £200,000 of public money the NLP received in this way only a small sum was being spent on non-political purposes. It was unacceptable that ordinary students should have to spend so much of their time in meetings arguing against the extremists merely to ensure that the money was properly spent. Sir Keith Joseph had a lot of sympathy for this view, and had tried to find a solution. The problem was that union membership was automatic rather than compulsory.

Primary legislation would be needed and this could only be justified if the abuse really was significant; in that context the report of the NLP's expenditure was most important and would be followed up. The Prime Minister strongly sympathised with Baroness Cox's concern. The way to ensure money was not spent on the wrong things was to increase the power and influence of the ordinary student. With universities now receiving a lump sum direct from the UGC in respect of some functions previously funded via the individual student grant, the way seemed to have been paved for reform of the kind suggested. It wasn't clear that the amount of money being misused mattered as much as the principle at stake.

Concluding the meeting, the Prime Minister thanked Baroness Cox and her colleagues for raising matters of such importance to the country as a whole. Sir Keith Joseph would arrange to discuss them further.

(Mark Addison)

Miss Elizabeth Hodkinson,  
Department of Education and Science.

RESTRICTED



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

11 March 1985

CF

CCYD

Olive letter to  
central archive.

BF14/3 pt.

MCA 12/3

OL comm.

NBPM

12/3

Dear Tim,

SCHOOLS WHITE PAPER

Thank you for your letter of 4 March. Chapter 8 of the draft is being amended to take account of the discussion in H Committee when the Committee agreed the Secretary of State's proposed response to the Swann Report; and the Secretary of State will circulate to members of H a short summary prepared for those who cannot be expected to read the White Paper in full.

As regards village schools, the Secretary of State believes that the case for closing them in certain circumstances is at least as much educational as financial. It is an injustice to the pupils of a very small school not to provide it with disproportionately generous staffing and other resources. It is this, as well as considerations of value for money, which prompted many LEAs to set about closing village schools which are not too isolated. Since 1980 for example Cambridgeshire have closed 24 small primary schools, Hereford and Worcester 21 and Lincolnshire 46. Sir Keith Joseph wants to go on encouraging them, and other authorities, to grasp the nettle. But there will be many cases where, because of isolation, it will be unavoidable - and right - to keep open a village school.

To get this difficult balance right in the White Paper, the Secretary of State will amend paragraph 11(2) of Chapter 10 to read as follows:-

(2) The number of pupils in a primary school should not in general fall below the level at which a complement of 3 teachers is justified, since it is inherently difficult for a very small school to be educationally satisfactory. But geographical and social factors need to be given their full weight. In isolated communities it is often right, given appropriate augmentation of its resources, to retain a small village school.

I am sending a copy of this letter to Colin Jones (Welsh Office).

Yours,

Elizabeth

Tim Flesher Esq  
Private Secretary  
10 Downing Street  
London SW1

MISS C E HODKINSON  
Private Secretary



EDUCATION Pt 5

Policy and Expenditure

11 11 1985  
11 11 1985  
11 11 1985  
11 11 1985  
11 11 1985  
11 11 1985  
11 11 1985  
11 11 1985  
11 11 1985  
11 11 1985

11 11 1985



Prime Minister,  
 Baroness Cox's signed  
 letter is at Flag C  
 MHA 11/3

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

8 March 1985

Dear Caroline,

1. The Prime Minister is to meet Baroness Cox, Professor Pollard and Dr Marks on Tuesday 12 March, with my Secretary of State also present. Baroness Cox and her colleagues wish to propose radical education initiatives : eg the development of specialist state schools as centres of excellence; and the further enhancement of parental choice.
2. The Prime Minister will recall the earlier debate about vouchers, publicly concluded by Sir Keith Joseph's statement in the House on 22 June 1984 (Annex A). The Government has now sought other ways to increase parental influence in schools, and the Schools White Paper - soon to be published but not yet public knowledge - will announce the Government's decision to legislate to increase parents' representation on governing bodies and to clarify and enhance the responsibilities of those bodies.
3. Sir Keith is also considering a radical - and confidential - proposal for widening parental choice that has been previously advocated by the Prime Minister : the establishment of a number of grant aided primary schools. He will be ready to say more about this at the meeting.
4. As background, you may wish to remind the Prime Minister of Sir Keith's letters of 14 November to her and to Baroness Cox (Annex B) and his statement in the House about research into standards.

Yours,

Elizabeth

MISS C E HODKINSON  
 Private Secretary

Mrs Caroline Ryder  
 10 Downing Street  
 LONDON SW1

**Mr. Dunn:** My right hon. Friend has no plans to introduce such legislation.

1610

### Teaching Posts (Vacancies)

**Mr. Arnold** asked the Secretary of State for Education and Science what information his Department collects on vacancies for teaching posts in individual local education authority areas.

**Mr. Dunn:** Since 1979 the Department has conducted an annual survey of the number of vacancies on a date in January of each year for full-time secondary school teachers in each local education authority, by teaching subject. National results for surveys up to 1983 were published in September last year in statistical bulletin 14/83, which is available in the Library.

1611

### Teachers

**Mr. Arnold** asked the Secretary of State for Education and Science what steps he takes to encourage unemployed trained teachers to move to parts of the United Kingdom where there are shortages of teaching staffs.

**Mr. Dunn:** None. It is for local education authorities, as the employers of teachers, to take such steps as they consider necessary to attract teachers in their areas so as to make good any shortages. Teachers seeking work in other parts of the country may make use of professional and executive recruitment and other facilities provided by the public employment service.

1612

**Mr. Arnold** asked the Secretary of State for Education and Science if he will estimate, for each principal teaching subject in secondary education, whether the supply of trained teachers exceeds or is less than the demand.

**Mr. Dunn:** There are too many unknown factors to give a precise estimate of the relationship of supply demand. Indicators which give a measure of the relative strength of demand are the extent of unemployment amongst newly trained specialist teachers—obtained from the annual surveys conducted by the Department and by the Universities Council for the Education of Teachers—and the number of vacancies in each secondary school subject reported by local education authorities in the Department's annual survey. On these indicators, demand is currently higher than average in mathematics and science, craft, design and technology, business studies and music, and lower than average in English, foreign languages, religious education, geography, history and art; for home economics and physical education the evidence is mixed.

1605

### Secondary Schools (Liverpool)

**Mr. Alton** asked the Secretary of State for Education and Science if he will now make a statement on the reorganisation of secondary schools in Liverpool.

**Mr. Dunn:** My right hon. Friend is consulting Liverpool LEA as required by section 12(6) of the Education Act 1980 on two modifications to its proposals to reorganise county secondary provision in the city.

14

1606

### School Holidays

**Mr. Silvester** asked the Secretary of State for Education and Science if he will take steps to require that the number of occasional days for school holidays may not increase because of particular years being a leap year.

**Mr. Dunn:** My right hon. Friend has no proposals to change the regulations governing occasional days of holiday in term-time. The Education (Schools and Further Education) Regulations 1981 permit maintained schools to be granted not more than 20 sessions of occasional holidays during term-time within the school year which must comprise at least 400 sessions.

1607

### Education Vouchers

**Mr. Couchman** asked the Secretary of State for Education and Science if he will make a further statement about education vouchers.

**Sir Keith Joseph:** I was intellectually attracted to the idea of education vouchers because it seemed to offer the possibility of some kind of market mechanism which would increase the choice and diversity of schools in response to the wishes of parents acting as customers. In the course of my examination of this possibility, it became clear that there would be great practical difficulties in making any voucher system compatible with the requirements that schooling should be available to all without charge, compulsory and of an acceptable standard. These requirements—difficult though the latter two are to achieve effectively under any dispensation—were seen to limit substantially the operation, and the benefits, of free market choices; and to entail an involvement on the part of the state—centrally and locally—which would be both financial and regulatory and on a scale likely to necessitate an administrative effort as great as under the present system. These factors would have applied whether vouchers were available only within the maintained system or could be used in the independent sector as well.

A change of this magnitude would desirably be preceded by pilot schemes undertaken by volunteer LEAs. These would require legislation and there was serious doubt whether they could adequately establish the feasibility of a voucher system within a manageable time scale.

I concluded that the difficulties which would arise from the many and complex changes required to the legal and institutional framework of the education system, and the additional cost of mitigating them, were too great to justify further consideration of a voucher system, as a means of increasing parental choice and influence.

For these reasons, the idea of vouchers is no longer on the agenda.

### NATIONAL FINANCE

#### Imported Goods (VAT)

**Mr. Onslow** asked the Chancellor of the Exchequer what representations he has received about the effect on importers and freight forwarders of his proposal to levy value added tax on imported goods at the time of importation; and if he will make a statement.

**Mr. Hayhoe:** A number of representations have been received from importers and freight forwarders on various



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Prime Minister  
10 Downing Street  
London SW1

17 November 1984

*Dear Margaret,*

In my letter of 10 April, I explained to you the action I had set in hand in connection with Caroline Cox and John Marks and their research. --- The Department's two studies have now been completed and I attach a copy of the further statement which I am making to the House in today's debate.

As you will see, I have decided against providing funds for more research along the lines of the Department's studies, which were based on one of the statistical approaches that Caroline and John have used in the past. I am however going to look at proposals for research ranging more widely and Caroline and John (as well as others) will be able to consider whether they are able to prepare a suitable research application on this basis.

--- I am writing to Caroline to put her in the picture. (Attached)

*Yours ever,*

*Neil*



Set Copy

DEPARTMENT OF EDUCATION AND SCIENCE  
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH  
TELEPHONE 01-928 9222  
FROM THE SECRETARY OF STATE

The Baroness Cox  
146 Stag Lane  
Kingsbury  
London NW9 QQR

17 November 1984

*Dear Caroline,*

In response to your letter of 21 August, I explained that I hoped to be able to make a further statement in the autumn and that I would let you know what I had in mind as soon as I could. I now attach for you a copy of the statement which I am making today following completion of the Department's two further studies.

You will see that I have decided against providing funds for more research along the lines of the Department's studies (which used statistical techniques successfully applied by you and John Marks) but that I will be ready to consider proposals for research ranging more widely. You will no doubt want to consider whether you and John will wish to prepare a suitable research specification for me to consider alongside any others. As I also indicate in the statement, the Department will be discussing any proposals with the applicants. Mr R W Chattaway will be dealing with any research applications, and if you would like preliminary discussion at any stage, please do not hesitate to get in touch with him or Mr Wakefield.

*Leon Kew*

[Sir Keith Joseph]

I accept that none of the HMI reports has presented a wholly satisfactory picture and that this year's was no exception. For instance, it drew particular attention, as the hon. Gentleman says, to the patchiness of improvements around the country—both between LEAs and schools within authorities—and to the deterioration of school and college premises because of inadequate repairs and maintenance. On both counts I share the inspectorate's concern.

But we cannot solve the problems simply by spending vastly more. The country just cannot afford it. Unemployment would go even higher if we tried to do so. We must look also to the need to secure better value for the money that we are spending.

The HMI report is useful on that aspect, too. The inspectorate makes it clear that in many cases there is scope for better deployment of existing resources and for better perceptions by heads and teachers of resources needed for good education, as well as, in some cases, absolute increases in the levels of resources.

Her Majesty's inspectorate identified the factors most commonly influencing effective learning as the quality of teaching, the identification of pupil and student needs, the levels of resources available, and the ability to manage and deploy those resources. It stated firmly that without clearer agreement about what it is that the resources are intended to help achieve and consequent careful planning and development, and without adequate and continuing training for teachers, the addition of more, different and better quality material resources will not of itself maintain present quality levels or lead to desirable changes and improvements.

That is the task that faces us, and in facing it we would all do well to avoid over-simplification of what is a complex question—the relationship between levels of resources for education and its quality.

I want to emphasise at this point what a difficult task teachers have if they are to be effective. That is why I regard the present teachers' salary structure talks as so important. They range across many aspects of teachers' work and recognise the need to relate that work and the way in which it is rewarded to changing circumstances.

The main ingredients of a successful outcome from those talks will provide for a closer relationship, more amenable to local education authority management, between teachers' pay, performance and responsibilities; a more precise definition of teachers' duties, including the supervision of pupils at midday and the provision of classroom cover for absent teachers; systematic arrangements for the formal appraisal of the performance of all teachers linked to provision to in-service training, promotion and deployment, and enabling the best teachers to be appropriately rewarded.

As I said in the House last Thursday, I should like to see a successful outcome from those talks because satisfactory agreements on those issues would lead to improvements in the quality of education offered by our schools. Therefore, I hope that the representatives of the local authorities and the teachers' unions engaged in the discussions will be successful, although I recognise the problems of bringing complex negotiations in that field to a satisfactory conclusion.

Reform proposals will need to pass three stringent tests if they are to come to fruition. First, they must be

negotiable between the parties. Secondly, they need to be educationally acceptable and hold the realistic promise of delivering improvements in the classroom. Thirdly, they must be affordable. As for the latter, I hope that the teachers' leaders will not mislead their members, as they did earlier this year in the 1984 negotiations, as to what level of pay settlement might be regarded as reasonable.

The autumn statement made earlier this week by my right hon. Friend the Chancellor shows that the Government fully intend to keep faith with the inescapable fact that we cannot spend more on public services such as education than is consistent with the country's ability to pay. To do otherwise would put us back on the destructive road to wage-push inflation and still higher levels of unemployment.

The hon. Member for Durham, North asked me about the Sheffield speech and the progress under it. The speech announced the fourfold Government initiative that is intended, with the help of teachers, local education authorities and parents, to raise the standards of children of all abilities in our schools. I have never pretended that that speech did more than set in place the necessary conditions for the raising of standards.

I remind the House briefly that the four parallel initiatives cover the more rigorous selection and training of teachers, an attempt to reach a national agreement on the curriculum, a transformation of examinations towards clearer absolute assessment and the introduction of records of achievement so that children's performances outside the classroom can be assessed and recorded. All four initiatives are progressing according to the publicly announced timetable. Again, I cannot pretend that they have yet begun to have an effect, and I hope that no hon. Member will chide me for that, as there was never any pretence that they could have an instantaneous effect. However, the schedules are all as announced.

I turn to an area upon which I believe the whole House can unite in seeking more information. I refer to research into what explains the different standards in different schools. I announced in the House on 1 March 1984 that I had asked the Department to undertake two studies before considering the potential for further research into school standards. I have now received reports on the two studies and these will be published shortly. Copies are being placed in the Libraries of both Houses.

The first of these studies extends the earlier analysis by the Department, published as statistical bulletin 16/83, of factors affecting examination results in different local education authority areas. It shows an even higher correlation—over 70 per cent.—than the earlier analysis between examination achievements at school and social background factors, probably reflecting the more recent information available for these factors. I explained in my earlier statement that it was expected that the extended study would provide limited insight into the effect of other factors on examination results. In the event, after taking account of the effect of social background—I stress that—the new study shows no more than a slight relationship at local authority level between pupils' examination achievements and the level of resources, including teaching resources, available to their schools, and a similarly slight statistical relationship with the proportion of pupils in grammar schools.

The second study was designed to examine the scope for carrying out further research on these relationships at the level of individual schools or groups of schools. This

study also shows a strong statistical relationship between examination results and social background factors, and again does not show a very substantial relationship with other factors such as the level of resources available to the schools. It also demonstrates the difficulty of extracting suitable data on social background factors from census material. Difficulties over the use and interpretation of data relevant to social background are also indicated by research commissioned by the Department and undertaken by the university of Leeds, which examined, inter alia, the development of suitable measures of home background. A report on this research is being prepared. I impose all this on the House because it is the background against which we can make further progress.

The two studies carried out by the Department thus show a strong relationship between school pupils' examination results and socio-economic background, but they shed little light on the influence of other factors on school pupils' performance, or on the wide variation in examination achievements among pupils from similar socio-economic backgrounds. I believe that it would now be research into the factors giving rise to this wide variation, which may be factors related to the way the school carries out its work rather than external to the school, which is likely to be most relevant to the development of the Government's policies for improving standards in schools, particularly if the research also includes other measures of pupil performance.

I have concluded that I would not be justified in providing funds for more research along the lines of the Department's recent studies. I am, however, willing to consider proposals for research ranging more widely and exploring the relationship between the social background of pupils collected at the level of individual pupils, a range of school outputs including public examinations, and a range of school inputs such as resources, the achievements of pupils on entry to secondary schools, teaching quality, the organisation of the school and its internal practices including teacher expectations, curriculum continuity and homework. Such research would be complex and expensive and could not be expected to yield results in less than three years. I shall want the Department to discuss any proposals in detail with the applicants before I decide on financial support.

Since that offers help only over the middle distance, I shall tell the House of a new initiative that may help in the slightly nearer future. Hon. Members will be aware that in announcing the Government's decision to adopt a single system of examination at 16, the Government also announced their intention that there should be distinction awards to recognise the breadths and levels of performance of those whose new GCSE grades and subjects reach a defined standard. The Government intend to add another level below distinction to encourage both the breadth and level of performance. Below the distinction award, we propose to introduce an award that will be called a merit award, which will recognise a breadth and level of achievement that is lower than that of the distinction award but which is still commendably wide and high. I hope that that will prove to be a further stimulus towards excellence.

**Mr. Radice:** Is that not reintroducing the O-level by another name?

**Sir Keith Joseph:** No such thought is in my mind. The award stands self-justified by its objective. In due course, I shall spell out the definition.

The Government and I were chided for the announced increase in the parental contributions made to some students in higher education. However, the Government have no plans to charge parents the same amount as overseas students. The purpose of that extra contribution is, first, to meet the cost of higher student awards; and secondly, to enable the Government to provide some more badly-needed money for basic research in universities and through the research councils. I believe that the strong national asset of basic scientific research should be supported in that way, and that is why the Government have asked the families of students to pay the extra contributions.

**Mr. Tony Marlow (Northampton, North):** My right hon. Friend will appreciate the problem of many of his supporters, who find it very difficult to justify this increasing tax on families, many of whom have other children at home and large financial commitments as a result, when at the same time we are increasing the payment to farmers who have had a bumper record harvest this year. Is there no way of squaring this circle? How does my right hon. Friend intend to deal with those students who have obtained places in higher education and who are deemed to be receiving parental contributions sufficient to pay towards the fees, if the parents do not cough up the money? Will there be sentries on the gates to stop them getting into their classes, or what will happen?

**Sir Keith Joseph:** I have no answer to either limb of my hon. Friend's question. The world is not a perfect place and no Government have yet managed to secure that all parents provide what their children need. That means that those children must show initiative in coping with the problem. Mercifully, I am not responsible for agriculture.

**Mr. Andrew F. Bennett:** Does not the Secretary of State agree that it is important that all young people should be treated equally? Does he realise that some girls whose parents come from the Indian sub-continent have considerable problems because their parents do not consider that they should go on to higher education? Consequently, their parents will not fill in the application form for a grant; thus, although the family may be on an extremely low income, those girls will lose any grant. Furthermore, they will have to find their own fees if they go on to higher education. Is that not an extremely unfortunate development from those proposals?

**Sir Keith Joseph:** If the hon. Gentleman has a way of overcoming the problem I should be glad to hear it.

I hope that I have answered the questions asked by the hon. Member for Durham, North. I can report to the House that we are on schedule with the Sheffield policies, but we do not expect instant transformation from them. I have announced various initiatives in research and for the encouragement of standards. I have explained our support for discussions between local education authorities and teacher organisations which are broadly encouraging. I ask the House to vote for the amendment and against the Opposition motion.

4.40 pm

**Mr. Sean Hughes (Knowsley, South):** I am pleased that in the preface to his remarks the Secretary of State said that he was sure that both sides of the House were interested in improving education standards. Time and again his party has postured as the party committed to the



House of Lords · Westminster

January 25 1985.

PERSONAL.

The Prime Minister,  
10 Downing Street,  
London SW1.

Dear Prime Minister,

I am writing to you because I am deeply worried about widespread grassroots anxiety concerning the present state of education.

Many people feel that the time is overdue for the government to take some radical initiatives. Examples could include the development of specialist schools as centres of excellence within the state system and the further enhancement of parental choice. Such policies would be consistent with Conservative philosophy and would also have great public appeal.

Current initiatives, although sound, do not go nearly far enough. Unless the government proposes some fundamental changes in the very near future, the next manifesto may well have few major achievements to record. This would be tragic, as education is an area where the government's philosophy, translated into policy, would be immensely popular with the electorate.

Would it be possible for me, together with Professor Arthur Pollard and Dr. John Marks, to have a brief interview with you to discuss these matters?

Yours sincerely,  
Cairi Cox.

The Baroness Cox.



RESTRICTED

Pine Martin:



Department of Education and Science

Elizabeth House York Road London SE1 7PH

Telegrams Aristides London SE1 Telex 23171 Telephone 01-928 9222 ext

To note.

This will not be very popular either

Your reference with Government

Our reference w Opposites

Date backbench, &

8 March 1985 rather

different years

T J Flesher Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

*1. Thanks the  
drafting could be  
improved. There are  
several points...*

Dear Tim,

SWANN COMMITTEE FINAL REPORT: EDUCATION OF CHILDREN FROM ETHNIC MINORITY GROUPS - PROPOSED MINISTERIAL STATEMENT

*JK  
8/3*

H Committee discussed the Swann Report on 4 March and agreed the main elements of the Government's response as proposed in my Secretary of State's paper. In view of the likely interest in the Report and of the need to set the terms of the ensuing debate, it was also agreed that my Secretary of State should make an oral statement in the House on the day of publication. The date of Thursday 14 March has already been provisionally agreed with the Leader of the House's Office. The statement would be repeated by the Government's education spokesman, the Earl of Swinton, in the House of Lords.

I attach a draft of the statement; it follows the line of the proposals which were approved by other colleagues in H Committee on 4 March.

I should be grateful for your agreement to our proceeding on these lines.

Copies of this letter and draft statement go to the Private Secretaries of the Leader of the House, the Lord President of the Council, the Home Secretary, the Chief Whip (Commons), the Chief Whip (Lords), the Secretary of the Cabinet and to the Chief Press Secretary, No 10.

Yours,

Aran Thompson

A B THOMPSON  
Parliamentary Clerk

*Comments passed*

*an*

*JK  
W/3*

RESTRICTED

**RESTRICTED**

**ETHNIC MINORITY PUPILS**

**Oral Statement by the Secretary of State for Education and Science**

1. I wish to make a statement about the final report, published today, of the Committee of Inquiry into the education of children from ethnic minority groups.

Also published today is a guide to the main issues in the report written at my invitation by the chairman, Lord Swann, which I am arranging to be sent to all schools. Copies of both documents are available in the Vote Office.

2. The Government is profoundly grateful to the chairman and members of the Committee for their long and dedicated labours on an issue of crucial importance. We believe that we have a duty to the House, to the ethnic minorities, and to the nation, to declare immediately where we stand on this issue.

3. The Government accepts the Committee's finding that many ethnic minority pupils are achieving below their potential and recognises the concern that is felt about this among their parents. We shall strive to improve the position through three broad lines of policy.

4. First, under-achievement is not confined to the ethnic minorities. Many in the white majority could be doing far better, and I am determined that they too should be helped, wherever they are at school.

**RESTRICTED**

# RESTRICTED

As the House knows, our policies for schools are designed to raise the performance of all pupils and to tackle the obstacles to higher achievement which are common to all. These policies apply to all pupils irrespective of ethnic origin. As they bear fruit, ethnic minority pupils will share in the benefit.

5. Second, we are determined to give ethnic minority pupils the same opportunity as all others to profit from what the schools can offer them. We are tackling the obstacles to opportunity, notably by promoting good practice in the teaching of English as a second language.

6. Third, we want the schools to preserve and transmit our national values in a way which accepts Britain's ethnic diversity and promotes tolerance and racial harmony. Whether or not a school contains ethnic minority pupils, its ethos and curriculum should promote understanding and respect among all its pupils for the different ethnic groups who now contribute to our national life.

7. These three lines of policy are being supported by a number of measures. I have referred to the steps I am taking to raise pupil achievement generally. The need to take account of the ethnic diversity of our society has been written into the new criteria which will govern initial teacher training and the GCSE examinations, and will be incorporated in the objectives

# RESTRICTED

# RESTRICTED

for the relevant subject areas of the school curriculum which we are formulating in co-operation with the education service. The same need lies at the heart of a group of projects, totalling some £1m in 1985/6, which will be supported through the new Education Support Grant scheme, and of some urban programme projects. I shall propose to the local authority associations that from 1986/7 onwards the in-service training grant scheme should include training dealing with the need to respond to ethnic diversity. Meanwhile in English language and mother tongue teaching the good practice endorsed by the Committee will continue to be encouraged and disseminated by Her Majesty's Inspectorate and supported by grants made by my rt hon Friend, the Home Secretary, under Section 11 of the Local Government Act 1966. These measures are essentially designed to change attitudes; they will not entail any increase in local authority expenditure.

8. Policy for securing the good education of ethnic minority pupils needs to be built on adequate information.

The availability of ethnically based statistics would be a valuable means of measuring and securing progress

Some local authorities already collect information on pupils on an ethnic basis. As the Committee's Interim Report recommended, I have been exploring with the

# RESTRICTED

# RESTRICTED

education service and the ethnic minorities the collection of ethnically based statistics on school pupils. There are difficulties. I hope soon, however, to bring this work to a successful conclusion so that I may commend to local authorities an acceptable scheme which respects confidentiality. I shall also consult about the possibility of establishing acceptable arrangements for the collection of statistics of ethnic minority teachers and students in teacher training which the Committee also recommends. This is important for the objective, recommended by the Committee and accepted by the Government, to increase the proportion of qualified ethnic minority teachers. I intend to consider with the education service and the ethnic minorities how this objective might best be advanced,

9. We badly need more hard information about the effect of social background on achievement at school. I intend to commission research which will look at the factors, in and out of school, that may contribute to under-achievement among pupils of all backgrounds; ethnic minority pupils would be one part of such a study.

10. The report contains many detailed recommendations which I will consider in consultation with those

Without in any way reducing the standards of admission to teacher-training (which are a vital safeguard for all the pupils whom the students will teach).

# RESTRICTED

**RESTRICTED**

concerned in the education service and outside it.

I shall also consider what might be done in these matters in further education, which was outside the Committee's remit. But to forestall unfounded fears or hopes the Government wishes to make clear that it cannot accept four recommendations in the report. We do not intend to change the present statutory requirements for daily collective worship and for religious education in maintained schools. Nor do we wish in any way to call in question the present dual system of county and voluntary schools. It remains our policy not to extend mandatory student awards to any form of study which precedes higher education. And we see no immediate prospect of legislation to amend section 11 of the 1966 Act. Its operation has been fully reviewed and new administrative criteria have applied since January 1983 which have allowed its wider and more flexible use.

11. These four matters are not at the heart of this issue. It is the policies and practical actions <sup>which</sup> I have outlined that offer the best prospect of mobilising the combined efforts of the education service to the vital, but difficult, task of reducing under-achievement at school and promoting good education in our multi-ethnic society.

**RESTRICTED**



10 DOWNING STREET

*From the Private Secretary*

4 March 1985

B7

The Prime Minister has seen your Secretary of State's minute together with a draft of the White Paper on Schools Policy of 26 February. In general she welcomes the proposals set out in the White Paper which she believes will strike a chord with all those concerned with raising educational standards. She has three detailed comments: first, the Prime Minister is concerned that the section on small schools may prompt an adverse reaction from the village schools lobby without achieving real savings; second, she notes that the passages in Chapter 8 of the Swann Report will need to be amended in the light of H Committee's discussion; and third, she believes that the White Paper would have even more impact if a short popular summary was produced. The Prime Minister would be grateful if your Secretary of State could consider these points.

I am sending a copy of this letter to Colin Jones (Welsh Office).

(Timothy Flesher)

Miss Elizabeth Hodkinson  
Department of Education and Science

LF

PRIME MINISTER1 March 1985ETHNIC MINORITY EDUCATION*(A Committee paper attached)*

The Swann Committee Report is an intellectual and practical nightmare. It fails to define its own terms and provides bad arguments for bad policies.

In the report, Professor Mackintosh, of Cambridge University, demonstrates that West Indian children on average have lower IQs than the rest of the population. However, he also shows that West Indians tend to be poorer, to have more broken homes, larger families, and more over-crowding. Since these conditions are associated with low IQ in all parts of the population, Professor Mackintosh concludes that the cause of West Indian children's low abilities is their 'social deprivation' rather than any genetic deficiency. This ignores the possibility that the social disadvantages are themselves in part a product of innate lack of intelligence.

On these shaky foundations, the report dismisses the suggestion that lack of intelligence is responsible for the relatively poor performance of West Indian children, and attributes the failure mainly to widespread and insidious racism. It recommends a large number of measures to introduce 'awareness' of racism and 'multiculturalism' into the schools. If implemented, these recommendations would no doubt provide the ILEA and other radical LEAs with a marvellous opportunity for political propaganda under the guise of creating racial harmony and seem likely to lead to 'positive discrimination'.



What should be done?

Morally, the right response is to attack the report's poor argumentation, to reject all nonsensical proposals, and to insist that English schools should provide all pupils with the skills and knowledge they need to live in English society, regardless of race or colour.

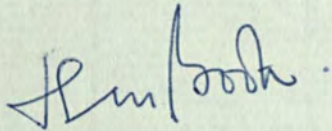
But if Keith Joseph takes this line, he will face prolonged and articulate opposition from a large number of professional lobbyists. They will ask why the Government commissioned the report if it did not intend to take any action.

Keith therefore proposes to make a minimal response, which will go some way towards placating the lobbyists without giving too much away, and which takes the opportunity to restate his sensible policies for all children. His 'new responses' are anodyne.

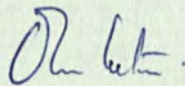
- i. Taking account of ethnic 'diversity' in criteria for teacher training, the school curriculum and examinations. This means little or nothing: the criteria for training have already been written, and they contain no more than a verbal obeisance to the notion of ethnic diversity; much the same is true of the curriculum and the National Criteria for GCSE.
- ii. Pilot projects to improve education for ethnic groups funded by Education Support Grants. These are probably useless: but they too are already under way.
- iii. Collection of more information on the progress of 'ethnic' pupils and a research project on the causes of under-achievement for all pupils.

Neither of these is likely to bear much fruit; but both should be cheap, and they may serve to protect the Government against claims that it is ignoring the matter.

We recommend that you should leave H Committee to decide whether it is politically possible to take a more sensible and aggressive stance, or whether Keith's plan is the best that can be devised.



HARTLEY BOOTH



OLIVER LETWIN

PART 4 ends:-

OL to PM 28.2.85

PART 5 begins:-

Pdiag Unit to PM 1.3.85

