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Policy on Education Expenditure.

EDUCATION.

General Policy on Education.

Part 1: May 1979

Part 8: June 1986.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
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PREM 19/1724

PART 8 ends:-

DRN to DES (Mtg Rcd) 25.9.86

PART 9 begins:-

DN to PM 1/10/86

Cabinet / Cabinet Committee Document

The following document, which was enclosed on this file, has 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.

Reference: CC(86) 36th Conclusions, Minute 3

Date: 18 September 1986

Signed

Wayland

Date

23 October 2014

PREM Records Team

CONFIDENTIAL: CMO



SUBJECT CC MASTER
CC EDUCATION: Teachers Pay.

FILE LOR
see Prof Griffiths
Meeting recone

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

25 September 1986

Dear Rob,

CITY TECHNOLOGICAL COLLEGES

The Prime Minister this afternoon held a meeting to discuss your Secretary of State's minute of 22 September which set out a proposal to establish City Technological Colleges. The handling of the Main Report was also discussed. Present with your Secretary of State were the Lord President, the Parliamentary Under Secretary of State for Wales, Chancellor of the Duchy of Lancaster, Secretary of State for Employment, Secretary of State for the Environment, Secretary of State for Scotland, Chief Secretary, Treasury, and Sir Robert Armstrong.

Introducing his proposal, your Secretary of State said there was immense concern about the quality of education, particularly in inner cities. Indeed, in some inner cities the education system had virtually broken down. City Technological Colleges were intended to make a start on putting this right. The Schools would contain 750-1,000 children with an age range of 11-18; they would be free, state-maintained, but independent of the local education authorities; they would have a broad curriculum but with a strong technical and practical element; they would encourage self-reliance and involve longer hours, shorter holidays and homework. They would be established in urban areas, mainly in inner cities. They would establish a way forward beyond the next Election, since they embodied three new principles: a direct link between the schools and the DES, per capita funding, and a centrally determined curriculum. New schools were inevitably hard to establish. It would take time to secure private sector involvement and it would not be easy to obtain premises. If an announcement were made soon, the aim would be to start the first school in the autumn of 1988. Financing had been agreed with the Chief Secretary. There would be savings in local education authority expenditure, but only in the medium to long-term. The intention would be to make a preliminary announcement at the Party Conference with a fuller explanatory document following in the next week.

The Chief Secretary stressed that his agreement with the Secretary of State for Education set maximum public expenditure figures for the next three years. Two factors

CAJ

were particularly important: first, it would be vital to secure good and reliable private sector sponsors, and secondly, public expenditure should be set at the same level per capita as would have been provided by the local education authorities.

In discussion, the proposal was welcomed in the warmest terms by all those present. This was a most important and imaginative initiative and the schools would act as beacons helping to raise standards throughout our cities.

Points made in discussion were as follows:-

- (i) it was vital that the schools should be successful. It would be better to go for fewer schools if that would give them a greater chance of success;
- (ii) for the same reason, it would be best if the early schools were not to be set up in the worst areas. They should be set up in outer areas, drawing in children from inner city areas. Otherwise the balance would be tipped too much towards deprived children who would be more difficult. This would also help to attract better teachers. The schools could be described in more general terms as being designed "to serve the children of the cities";
- (iii) there was a risk that the proposal was designed to hit too many objectives, from improving technical education to helping deprived children. To put the early schools in better areas would reduce this risk;
- (iv) the proposal, as at present structured, would constrain the schools by too many central regulations. To impose too many regulations would increase the risk of legal challenge. There would be no possibility of legislation in the coming session to remove this risk;
- (v) it would be better if the schools were set up under the legislation which had governed direct grant schools;
- (vi) the proposed regulations were drawn too narrowly in a variety of ways: they should give more latitude on the catchment area, on the requirement for a balanced provision for boys and girls, and pupils should be selected both on the basis of their general aptitude and their ability to profit from the education which would be offered (paragraph 5 (ii) of the attachment to your Secretary of State's minute). It would be better also if there were no requirement that teachers should be qualified; it would be enough to require that they had previous teaching experience;

- (vii) in making the announcement the introduction of parental fees at a later date should not be precluded: the announcement might say that fee-paying would not be introduced before, say, the first five or six years. In the meantime, it would be important to maximise parental contributions through, for example, PTAs;
- (viii) the curriculum, although it had a more practical bent than existing schools, still seemed rather academic; it would be preferable for it to look more towards B.Tech and City and Guilds qualifications;
- (ix) it would be wrong at this stage to allow existing independent schools to join the scheme;
- (x) the establishment of a Technological College in Glasgow might be considered when some English schools were successfully under way.

Bringing this part of the discussion to a close, the Prime Minister warmly welcomed the initiative. This was a most important proposal which she might herself wish to promote in her speech at the Guildhall. Inviting the Secretary of State for Education to revise his proposal to reflect the points made in discussion, the Prime Minister urged in particular that early schools should be set up more towards the outer edges of city areas and that the schools should be less circumscribed by DES regulations. It would be better if the schools were brought in under direct grant legislation.

On other matters, your Secretary of State reported that the Committee of Vice Chancellors and Principals had agreed that it would now be desirable to work towards a mixed system of loans and grants for students. This was a substantial advance. He had himself given an undertaking that no university would close. This did not, however, rule out fundamental changes. It seemed unlikely that legislation to remove academic tenure would now be needed. He was in negotiation with Vice Chancellors, who were themselves now coming to recognise the need to phase out tenure.

The meeting then discussed the Main Report. The Secretary of State for Scotland said it was to be published on 2 October. It was in many respects excellent. The terms and conditions proposed for teachers conformed very closely to those the Government sought. However, there was an inevitable cost and the Report proposed an average increase for teachers of 16.4 per cent, in a deal structured over two years: teachers would not receive an increase in 1987/88. He expected that teachers would be hostile to the proposals on conditions and differentials and luke warm to the proposals on pay. The attitude the Government took when the Report was published would be important.

Points made in discussion were as follows:-

- (i) the proposed pay increases would cause great difficulty. The Main Report itself presented the increase as a rise of 22.8 per cent on a base line of March 1986;
- (ii) the Government had said that there should be no need for local authority rates to rise in real terms if local authorities were behaving efficiently and responsibly. The proposals on teachers pay could shatter this position and blame would need to be placed where it belonged, on local education authority negotiators. The more warmly the Government thanked the Main Committee for its work, the more closely it would be associated with the proposals. It would be vital to pin responsibility for the costs on those who made the settlement: otherwise there would be no constraint on them in future;
- (iii) the Government had made no commitment beyond the £1¹/₄ billion (which was in fact now a little over £1 billion after deduction of extra expenditure on meals supervision). Whether any extra sums should fall on ratepayers or taxpayers would need to be further discussed. It was suggested that if the Government made no commitment to provide extra money the settlements in both England and Wales and Scotland would collapse;
- (iv) the position on rate-capped authorities would need to be considered;
- (v) it would be important to consider the ACAS and Main outcomes together, and quickly. The Coventry agreement would become more expensive the longer the discussions between teachers and employers continued;
- (vi) enforceability remained a serious problem.

The Prime Minister invited the Secretary of State for Scotland to revise and re-circulate the draft statement circulated with his minute of 24 September. This should thank the Committee for their Report and say that the Government would study its conclusions urgently. The aim, if possible, should be to announce the Government's conclusions on both ACAS and Main before the House re-assembled, to avoid the build-up of pressure which would occur then. Delay would make the decisions no easier to take. The Prime Minister invited officials to prepare a note on the options available to Ministers. It would be particularly important to pay attention to any risks of legal challenge. The paper should be circulated well in advance and the Prime Minister urged her colleagues to consider it with the greatest care.

I am copying this letter to Joan MacNaughton (Lord President's Office), Alex Allan (H.M. Treasury), Colin Williams (Welsh Office), Andrew Lansley (Office of the Chancellor of the Duchy of Lancaster), John Turner (Department of Employment), Robin Young (Department of the Environment), Robert Gordon (Scottish Office), Jill Rutter (Chief Secretary's Office, H.M. Treasury) and to Michael Stark (Cabinet Office).

Joan,

David.

DAVID NORGRIVE

Rob Smith, Esq.,
Department of Education and Science.



P 02248

From: J B Unwin

Date: 25 September 1986

MR NORGROVE

NBAN.

MAIN REPORT

1. Paragraphs 13 to 15 of my brief of yesterday on CTCs referred to the Main Report. I have subsequently seen the Scottish Secretary's minute of 24 September to the Prime Minister, covering a proposed Press Release to accompany publication of the Report on 2 October.
2. I repeat my advice that, until we have properly examined and costed the Report, and considered it in relation to the Coventry agreement, it would be wrong to make other than a non-committal statement. Although the Report's recommendations on conditions of service and pay structure at first glance seem quite good, the cost of the proposed pay rates is high and we do not yet know the hidden cost of the other recommendations (which would, of course, all cost very much more if applied to England and Wales).
3. As drafted, the Scottish Secretary's proposed statement would be interpreted as little short of acceptance by the government of the Main proposals. As well as constraining the government's subsequent room for manoeuvre, it could also induce the unions in England and Wales to look again quickly at their own pay proposals. I suggest, therefore, that Mr Rifkind should be asked to make a much less committal statement - eg on the lines of the attached. He will no doubt argue that he must be in a position to make an early substantive response. But Ministers have already



agreed to aim for such a response covering both Scotland and England and Wales before the end of October; and it is not unreasonable to take a little time to study and respond to such a major and detailed Report.

A handwritten signature in dark ink, appearing to be 'J B Unwin', is positioned above the typed name.

J B UNWIN

CONQUEROR



REVISED DRAFT PRESS RELEASE

I congratulate Sir Peter Main and his colleagues on this excellent Report. They were given a wide remit and were asked to work very quickly. They deserve our thanks for the speed and thoroughness with which they have done their work.

2. The Report contains a comprehensive set of recommendations on the complex issues referred to the Committee. The government will give those recommendations close and urgent consideration and give their response as soon as possible. Everyone concerned with Scottish education wishes to see an early settlement of the issues relating to pay and conditions of service which produced the damaging dispute of the last two years. Before giving their response, however, the government will wish to take fully into account the views of the employers and the teachers' leaders on the Report, and I urge them to let me have those views as early as possible.

CG/Bkup

City Technological Colleges (CTC)

Kenneth Baker's original proposal was to re-introduce direct grants schools but with an emphasis on technology. It was an imaginative attempt to raise school standards.

As the proposals have been set on paper and refined they are turning out to be rather different.

First they have become primarily an inner city initiative to improve secondary schools in these areas. For example the prime sites for the new colleges, as listed, are:

- (a) the 8 areas chosen for the Inner City Initiative,
- (b) 10 other areas which rank high in the DoE's index of deprivation,
- (c) at least one location in a relatively less disadvantaged area.

Second although the initiative is an attempt to create so-called 'independent' schools the DES has a major voice in

- (a) the catchment area and pupil numbers of each school,
- (b) the imposition of a curriculum which is "unusually directive" (p. 9) and which applies to all schools,
- (c) the staffing of the schools - only teachers with "qualified teacher" status will be employed,

- (d) the determination of the grant, the details of which are left very open ended,
- (e) the aims and objectives of the school,
- (f) the admission arrangements,
- (g) the constitution of the governing body,
- (h) the "teaching approaches" which the school will be able to use.

Evaluation

Inner City Location

By setting up these schools in inner-city areas however, the dice are loaded against their success. We know that inner city areas have greatest problems with family breakdowns, vandalism, crime and discipline in the classroom. The location of these schools almost exclusively in inner city areas, makes no educational, financial or political sense. All it does is jeopardise their chance of success.

Direct funding and the DES

These schools bear little resemblance to the old direct-grant schools. Because the DES has acquired detailed control their effective independence is limited to the freedom to pay teachers more than Burnham. But DES controls the funding as well - hence this freedom is a chimera. If these proposals are implemented in their present form these schools will in practice be little different from existing inner city comprehensive schools: in practice the DES has acquired comparable power to LEAs over these new schools.

Business Funding of CTCs

CTCs success is dependent on private sector finance. This will only be forthcoming if

- (a) the schools are located in areas where business would like them to be,
- (b) where there are pupils of sufficient talent, and
- (c) where business controls the school rather than merely putting up the capital for them to be run by the DES

Recommendations

In order to ensure that CTCs attain high standards the proposals must be strengthened by three key changes:

- (a) first a majority of schools should be located outside inner city areas but that their catchment areas should extend to inner city areas,
- (b) the catchment area of each school should be extended over the greatest possible area to increase parental choice,
- (c) detailed DES supervision of schools should be reduced to a minimum: auditing annual accounts and arranging occasional visits by HMI.

Brian Griffiths

mt

BRIAN GRIFFITHS



PRIME MINISTER

CITY TECHNOLOGICAL COLLEGES

Kenneth Baker sent me a copy of his minute to you of 22 September with its enclosure about City Technological Colleges (CTCs). Unfortunately because of the emergency TREVI meeting tomorrow I will not be able to be present when his proposals are discussed.

Nevertheless, I wanted to record my support for Kenneth's main objective of extending parental choice, particularly for the benefit of disadvantaged pupils in inner city areas. There is fairly wide agreement that this is an area where the crisis of confidence in our education system is acute and I think this may help to mute some of the criticism which our opponents will almost inevitably make. I hope that the initiative will be presented as an integral part of our drive to raise standards for all pupils across the maintained sector. If we can do something effective for the young in the inner cities now there will be wider social, economic and political benefits to be gathered later.

I was glad to note that Kenneth proposes that CTCs should be established in each of the eight Task Force areas. I have no doubt that a well targeted educational initiative of this sort will add an important dimension to our work in these areas. I welcome too the philosophical approach which underlies the proposals of a partnership between the public sector and business. In principle, therefore, Kenneth's proposals have my full support; and I welcome the idea of an early announcement.

E.R.

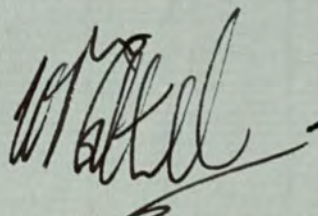
CONFIDENTIAL AND CMO

2.

I understand that there are still many details to be ironed out, particularly in relation to the nature of the "contract" between the DES and potential college "promoters". In discussion of these, I hope emphasis will continue to be put on the desirability of seeking to draw a cross-section of pupils in terms of ability and ethnic origin. If this mix is not achieved then the wider educational lessons may be reduced and we shall not be able to create the knock-on effect in inner city schools in the maintained sector for which I imagine Kenneth is hoping. Of relevance to this, I was a little concerned to see the degree of emphasis put upon parental commitment to the ethos of the school as a criterion for entry; this may serve to perpetuate the disadvantage of some pupils who have potential but whose parents are generally disaffected and unlikely to measure up in this way.

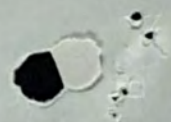
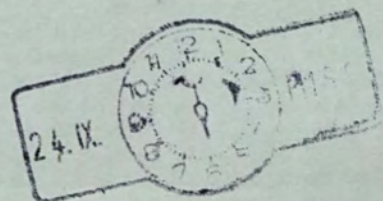
These are all points of detail which I hope Kenneth will feel able to take on board. They do not detract from my support for his attractive and imaginative proposals.

I am sending copies of this minute to Willie Whitelaw, Nigel Lawson, Kenneth Baker, Nick Edwards, Norman Tebbit, Nicholas Ridley, David Young, John MacGregor, Malcolm Rifkind and Sir Robert Armstrong.



APPROVED BY THE HOME SECRETARY
AND SIGNED IN HIS ABSENCE

24 September 1986





CCBSG
 CSB/UP.

PRIME MINISTER

CITY TECHNOLOGICAL COLLEGES *- Mag A.*
 (Education Secretary's minute of 22 September)

CONCLUSIONS

1. You will wish tomorrow's meeting to decide:-
 - i. Whether to authorise Mr Baker to proceed with plans to establish up to 20 City Technological Colleges (CTCs) in inner cities on the lines set out in his paper;
 - ii. If so, how and when the scheme should be announced.

BACKGROUND

2. Apart from the limited primary school initiative, this is the first of the more radical proposals discussed by Ministers in recent months to come forward in a specific form. It has, of course, already been given some publicity in Press leaks, and will not therefore come as entirely a surprise. The concept was also advocated in the form of Crown Technical Schools in the article by Norman Macrae in last week's Economist which also covered a range of other radical ideas similar to those Ministers have been considering.

3. The essence of Mr Baker's proposal may be summarised as:-

- up to 20 CTCs on an experimental basis for 11-18 year olds of all ability etc ranges in (mainly) deprived inner city areas, with a strong technical bias within a broad curriculum;



- owned and ~~controlled~~ by trusts, and managed (within an agreed framework) by appropriately constructed governing bodies;
- financed as to current expenditure by central government grant, and (hopefully) as to capital by the promoters;
- pupils to be selected by the Head and governing body;
- staff to be employed directly by the governing body, who will determine pay and conditions of service.

4. Mr Baker hopes that the first CTC could be up and going, with as many age groups as practicable, in September 1987. He proposes to establish a small team within DES (with a seconded Principal from the Department of Employment) to try to achieve this.

MAIN ISSUES

5. The proposal clearly has great attractions in terms of the government's educational objectives. Among other things it would:-

- take out the LEAs, give greater choice and say to parents, and enable the government itself to exercise more effective influence on curriculum development and standards generally;
- provide an opportunity to break out of Burnham and put into practice the government's objectives in relation to teachers' pay and conditions of employment;



- contribute significantly at the same time to a number of other policy objectives eg better technical and IT training, improvement of education in inner cities;
- if successful, pave the way for wider and more radical reform of the state educational system.

6. On the other hand, the scheme can be expected to be criticised by the government's political opponents and by vested interests in the local authority and education service. It is vital, therefore, that it should not be launched unless the government are satisfied that it is thoroughly well prepared and soundly based and is not likely to come a cropper through lack of support and preparation, (I understand that the response to the more limited primary school initiative has so far been disappointing and that little progress has been made). In considering, therefore, whether an early announcement should be made, you may want to question Mr Baker, and to invite the views of other Ministers, on some or all of the points in the following paragraphs.

Promoters

7. Mr Baker's paper asserts that he is confident of finding business promoters willing to invest in the scheme. My understanding, however, is that so far only one specific name has been identified. It is, of course, difficult to take matters very far forward until a scheme has been announced and set out in some detail. But you may think it prudent to have more specific information about potential business and other backers before the government are publicly committed. If the scheme is to be successful, and the government are not themselves to be landed with large contingent financial liabilities, a large number of promoters of sound financial standing and high reputation in the community will be needed.



Finance

8. The costings are necessarily very broad brush. Depending on the level of the promoters' contributions, 20 CTCs of a 1,000 pupils each might involve grant of £4 million in 1987-88 rising to £38 million in 1990-91. The Chief Secretary has agreed to accept a maximum of these amounts as an addition to the DES expenditure baseline (in effect pre-empting the outcome of the current PES exercise). You will want to confirm, however, that the Chief Secretary remains content with the proposals and financial arrangements as now set out by Mr Baker. It will be crucial so to negotiate the agreements between the government and the backers that the government are not left with open-ended contingent liabilities. There should be some off-setting reductions in due course from savings in LEA-maintained schools, but these will take time to come through.

Legislation

9. This has important bearing on the issues in the two previous paragraphs. Mr Baker explains in paragraph 19 of his paper that the scheme could be introduced by regulations under existing legislative powers; but that the added protection of new primary legislation might be necessary. The position is as follows. The Secretary of State has powers under Section 100 of the 1944 Education Act to pay grant. This is the provision used for the payment of grant to direct grant schools. The payment of grant under this provision is not, however, in the form of a contract legally binding the Secretary of State. Promoters may therefore - particularly if there is much opposition to the scheme - require a participation agreement that is binding on the Secretary of State before being willing to enter into specific financial commitments. This would require new primary legislation, for which there is at present no provision in the programme. It may be, of course, that such legislation could be combined with any (also controversial) legislation the government may decide to introduce to replace the Burnham arrangements.

Location of CTCs

10. Annex B to Mr Baker's paper contains a list of 25 locations, of which the 7 at the bottom of the list are relatively less disadvantaged. They include the 8 areas chosen for the Inner City Initiative, and seem to cover a good geographical spread. But the selection has been made within DES and you will want to be satisfied that the list is acceptable to other Ministers.

Timetable

11. As indicated above, Mr Baker would aim to have the first CTC up and running in September 1987. There is obviously advantage in moving with all speed possible and much to be said for setting a tight target in order to concentrate minds. But this is a very ambitious target and you will want to be satisfied that there is a good chance of it being achieved before any specific public commitment on timing is given.

ANNOUNCEMENT

12. The timing of an announcement will to some extent depend on the discussion of the issues raised above. You will want to avoid the risk of public commitment before you are satisfied that the scheme is soundly based. Subject to that, you will no doubt wish to consider whether the announcement should be made at the Party Conference. You will no doubt in any case wish Mr Baker to clear the terms of the announcement with yourself and with the other Ministers most closely concerned.

REPORT OF THE MAIN COMMITTEE

13. I understand that the Scottish Secretary wishes to discuss this briefly. He has now sent you and the other Ministers a copy of the Report, which he proposes to publish on 2 October. I suggest, however, that you avoid any substantive discussion or conclusions at this meeting. What is crucial, as Ministers agreed at MISC 122 on 15 September, is that the government should make a comprehensive response next month to both the Main Report and to the outcome of the ACAS sponsored negotiations in England and Wales. Work is in hand in the Official Committee to prepare



recommendations for consideration by MISC 122 under your chairmanship on 16 October. It would be sensible to await the outcome of this and not try to reach any premature decisions on Scotland alone.

14. However, you will no doubt wish to hear the Scottish Secretary's first impressions of the Main Committee's recommendations. At first glance, they seem to be broadly as expected. The main features of what is presented as a single package are:-

(i) Teachers' Duties: a new contractual scheme of conditions of service covering in and out of classroom responsibilities, including administrative duties, staff and parents' meetings, appraisal, cover etc;

(ii) Pay Structure: substantial increase in differentials, with the largest increases for those at the top of existing scales, and the creation of a new Senior Teacher grade, with a salary of £14500 (but no merit or special payments for shortage subjects);

(iii) Pay Levels: a 2-year deal (through to March 1988), adding 16.4% to existing 1986-87 salary levels (22.8% to the March 1986 baseline);

(iv) Negotiating Machinery: establishment of a biennial Review Body, starting in 1988, to deal with both pay and conditions (but no "no strike" condition).

15. Until we have examined and costed these recommendations in detail, it would be prudent to suspend judgement. The limited phasing of the pay proposals will clearly present particular



difficulty, and may set an unwelcome example for England and Wales, where the Coventry agreement envisaged a more gradual phasing in period. Just as the unions in Scotland and in England and Wales will no doubt want to secure the most expensive and least onerous terms of the two sets of recommendations, the trick for the government may be to combine the best of the Main conditions and duties with the more gradual Coventry phasing in of pay increases. However, until these issues have been properly considered together, it would seem best for the statement the Scottish Secretary makes on publication of the Main Report to be as non-committal as possible.

HANDLING

16. You will wish to invite the Education Secretary to introduce his proposal on CTCs, and the Chief Secretary to comment on the financial implications. Other Ministers will no doubt wish to comment generally on both the substance and the politics of the proposal. The Lord President may wish to comment on the possible legislative implications. Finally, if time allows, you will want to invite the Scottish Secretary to speak briefly on the Main Report.

J B UNWIN

Cabinet Office
24 September 1986

PRIME MINISTER

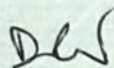
CITY TECHNOLOGICAL COLLEGES

Brian expresses major doubts about the way this proposal is structured. I too am, as you know, sceptical about how much real progress Mr. Baker wants to make before the election. However Mr. Baker is likely to believe that tomorrow's meeting will be plain sailing, at least as far as you are concerned because you have known of the proposal for two months and because he has now put forward some less deprived areas (though still very poor) as you asked. You have also had two meetings with him.

In fact of course the paper was received here late in the evening before your meeting in July, and the proposal was barely discussed (and then on what I think is a false prospectus) at your meeting last week. Nevertheless I suggest you should tomorrow welcome the proposal warmly and then steer the conclusions in Brian's direction if you agree with him.

Thereafter it is clear that you will need to keep a close eye on things. One possibility would be after tomorrow's meeting for me to write on your behalf to propose another bilateral discussion to consider the concerns which Brian has raised, to be based on a further more detailed note by DES.

I wonder whether one or two large companies might be persuaded individually to finance a school, which could take their name? Might Lord Hanson be interested? Or ICI? (They have a strong North East connection through their plant at Billingham.)



DAVID NOROGROVE

24 September 1986



10 DOWNING STREET

Prime Minister

Mr Riefkind wants to
take this.

I think he is jumping
the gun, particularly on his
proposed statement. Some
could be expected to agree
to it tomorrow.

JH

24/9.

We are not
cannot be
bounced into a reply.
not

CONFIDENTIAL



JK

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

23 September 1986

ACADEMIC TENURE

At a meeting with industrialists the other day, Sir Peter Baxendell, a member of the UGC, referred to the difficulties caused by academic tenure which often prevents sensible rationalisation of university departments. Indeed Sir Peter felt that the difficulties were so severe that, politics aside, the next best course would be to close down a few universities.

BF // The Prime Minister would be glad to know the position on academic tenure and the state of play on any proposals to improve the position.

(ANDY BEARPARK)

Mrs Shirley Trundle,
Department of Education and Science.

JB

cc: B & R

PRIME MINISTER

Prime Minister

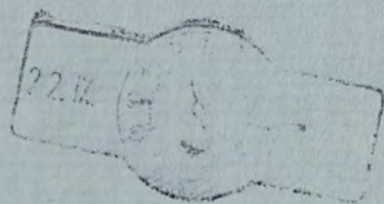
This paper is almost identical to the one you saw in July. JRS 24/9.

CITY TECHNOLOGICAL COLLEGES

The attached paper sets out my proposals for establishing, on an experimental basis, a number of schools in inner city areas operating independently of local education authorities and controlled by trusts set up by individuals or groups in the private and voluntary sectors. The first objective of this initiative is to extend parental choice, particularly for the benefit of disadvantaged pupils. The new schools will give them, free of charge, a broad secondary education with a strong technological emphasis in an environment which encourages self-discipline and positive attitudes.

2. My initial objective is to establish up to 20 such schools, which would be called City Technological Colleges (CTCs). On the basis of the assumptions set out in the attached paper, and subject to further consideration of the details, the Chief Secretary has agreed to accommodate the additional public expenditure required, which I estimate to be £4m in 1987-88 rising to £38m in 1990-91. The assumptions are of course not fully tested. For example, once I have my colleagues agreement to the proposals, I shall want to explore further with prospective promoters and with the Chief Secretary the scope for financial contributions from the private sector and the rate at which CTCs can be brought into operation.

3. A key feature of the scheme is that CTCs would be run by groups wishing to improve education in the inner cities. They would be financed mainly by direct grants from my Department but the scheme depends on a substantial contribution from promoters towards the costs of each school. I am confident of finding promoters in the business community willing to make such an investment in the future of their local community. My proposals take account of discussions with a possible business sponsor,



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CMO until 31 October 1986

based in London, who has agreed in principle to act as a promoter and to secure financial contributions from other promoters. I am also hoping to secure the cooperation of bodies such as the Churches, the City Livery Companies and educational charities.

4. The location of the first CTCs is a key issue on which colleagues will wish to express a view. My present intention is to select from the list of possible locations in annex B of my paper. This includes a number of areas which rank high in the DoE index of deprivation. I shall be aiming for a sensible geographical spread. The list includes some locations which are relatively less disadvantaged and in which I would expect to establish one or more of the first CTCs.

5. I seek collective agreement to an early announcement of my proposals. I am confident that the scheme will be an important step forward in showing what can be done for pupils in the inner cities by good teaching, effective management and a new partnership with the business community.

6. I am sending copies of this to Willie Whitelaw, Nigel Lawson, Douglas Hurd, Nick Edwards, Norman Tebbit, Nick Ridley, David Young, John MacGregor, Malcolm Rifkind, and Sir Robert Armstrong.

22 September 1986

RUS

PP KB
Department of Education and Science
(Agreed by the Secretary of State
and initialled in his absence)

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CMO until 31 October 1986



until 31 October 1986

City Technological Colleges

1. Many parents are looking for an alternative to local authority-run schools. The need is greatest in the inner cities. In this paper I propose an initiative to meet this need.

City Technological Colleges

2. I believe that we should urgently set up a number of schools for 11-18 year olds in selected inner cities which will:

(i) Be subject to an agreement with the Secretary of State, under which they undertake to comply with the requirements below in exchange for grant-aid. They might be called "City Technological Colleges" (CTCs).

(ii) Be owned and controlled by trusts set up by individuals, foundations or groups, and managed by an appropriately constituted governing body.

(iii) Provide a good curriculum and a good ethos, with a strong technical emphasis which applies the lessons of the TVEI.

(iv) Cater for the whole range of inner-city pupils.

? Comprehensive
School

3. The schools would thus be independent free-of-charge institutions within the state system. They would be funded and staffed at a level which would bear credible comparison with county schools to show what can be done by good teaching and effective management rather than poor direction and a concentration on political irrelevancies.

What kind of pupils and how many?

4. The principle on which pupils are chosen is critical for the character and success of a school.

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5. I propose that:

(i) The catchment area of each CTC should be defined so as to allow an intake which reflects the local population, for example in ability range and ethnic mix, while retaining good scope for choice of pupil by the school. The precise arrangements would need to be negotiated individually with each school.

ability?

(ii) Pupils would be selected by the Head and the Governing Body on the basis both of their general aptitude, for example as reflected in their primary school record, and on their and their parents' attitudes towards the special character of city colleges, and their commitment to full time education or training post-16. The families most committed to the school's ethos will secure admission for their children; such commitment can be tested by undertakings - for example to attend regularly, to go away to a camp during term or in the holidays, and to honour the school's homework arrangements. The prime consideration would be whether the pupils was likely to benefit from what the school had to offer.

(iii) The churches' involvement as sponsors would be welcome but admission should not be subject to denominational tests.

6. Balanced provision for boys and girls is desirable - and may be necessary to avoid falling foul of the Sex Discrimination Act. Subject to that, single sex schools are an option, especially if they can be paired.

7. A CTC catering for the whole ability range and offering a good curriculum needs to have 750 to 1,000 pupils so that classes do not become too small to be stimulating and affordable.

Curriculum

8. CTCs will be required to offer a curriculum in line with our policy for raising standards in the maintained sector:

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2.

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until 31 October 1986

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(i) There will be a strong emphasis on self-discipline and positive attitudes. I favour a longer working day and a longer school year than the minimum required for LEA maintained schools. Outward-bound type activities in and out of term will be compulsory.

(ii) There will be a strong technical and practical element within a broad and balanced curriculum.

(iii) The curriculum will be applied and taught so that pupils of all abilities are challenged to the limit of their capability.

(iv) CTCs will where possible also be used to test the value and effectiveness of equipping a secondary school with IT hardware and software at the most generous level now found in the maintained sector.

9. A curriculum model compatible with these requirements is illustrated at Annex A. It exemplifies one of a number of possible approaches in order to show what can be done for an 11-18 school of 1,000 pupils with a pupil to teacher ratio (15.4:1) in line with current good practice for an inner city school. It provides a curriculum which achieves breadth with a technical emphasis by reducing optional subjects in years 4 and 5 to 10% of the time-table. This will be unusually directive. But it should be no hardship for pupils who have chosen the school for its technical emphasis.

Staff

10. All staff at CTCs will be employed by the governing body. The governing body will be free to determine the pay and conditions of the staff - they would not be constrained by Burnham. To secure the required curriculum effectively, I propose to require each CTC to employ only teachers with "qualified teacher" status and to match their qualifications and experience to their teaching tasks.

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3. **CMO** until 31 October 1986

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until 31 October 1986

Location of city colleges

11. The catchment area of a CTC will be 2-3 times that of the 8 areas chosen for the Inner City Initiative. I propose that all these areas, suitably enlarged, should be considered and that colleges should also be considered for 10 other areas, mainly, but not exclusively, those which rank high in the Department of the Environment's index of deprivation, and with a view to a sensible geographic spread. An illustrative list of locations, is at Annex B. The 7 locations at the bottom of the list are relatively less disadvantaged and I would expect to establish CTCs in at least one of these.

Who would promote city technological colleges?

12. My preference is to go for selected individuals in business with the vision and enthusiasm to improve education in the inner cities. I am confident of finding promoters of this kind. But I would not rule out offers from established educational charities, the churches or the City Livery Companies. (I have already begun to consult the Haberdashers in confidence about an experimental scheme on grant-aided primary schools on lines agreed with colleagues.)

Finance

13. I propose that the grant from the Secretary of State to CTCs should be governed by the following principles:

- (i) The grant will meet all items of current expenditure at the college which would fall on a LEA for one of its own county schools. By covering external repairs, it would put the city colleges in a more favourable position than voluntary aided schools. The way we determine the amount of grant will be a sensitive issue. We would be aiming at what a reasonable LEA would spend on a similar school in the locality. The formula will need to be both politically and financially defensible.

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until 31 October 1986

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(ii) The grant would be augmented to take account of the experiment in a very high level of IT equipment proposed in para 6(3) above.

(iii) Promoters should have sufficient financial substance to make a contribution to the costs of the scheme. My aim is to persuade promoters to bear all, or a substantial part, of the cost of premises and equipment, and preferably also to provide the college with an endowment to permit additional facilities, current or capital. Voluntary contributions from promoters and parents would allow further flexibility.

14. Annex C contains order-of-magnitude costings, and an indication of the likely phasing of expenditure (including additional DES staff costs). Depending on the level of the promoters' contribution 20 CTCs of 1,000 pupils might involve grant rising to £38m a year in the first 4 years of operation and starting at about £4 millions in 1987-88.

15. The cost of the grant will probably be offset only in part, and with a time-lag, from savings in LEA-maintained schools, because the consequential reduction in pupils in individual schools will tend to be relatively small.

The Secretary of State and the individual city college

16. The Secretary of State and the promoters will be embarking on a venture in which each has obligations to the other and each depends on the other. There will have to be an agreement (necessarily subject to the annual Appropriation Acts) between them covering:

(i) the aims and objectives of the school.

(ii) The Secretary of State's financial commitment, which may have to be variable in the light of circumstances. The promoters may be well placed to drive a hard bargain.

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(iii) The governing body's obligations on such things as pupil numbers, admission arrangements, curriculum and teaching approaches, and teacher qualifications and professional up-dating.

(iv) The constitution of the governing body, for example the possibility of governors appointed by the Secretary of State, drawn from the local business community, or elected by parents.

(v) Arrangements for ensuring financial accountability by the governing body, for example for audit.

(vi) Monitoring by the Secretary of State of the school's educational effectiveness, mainly through inspections by HMI.

(vii) The circumstances in which the agreement could be terminated. Termination in the case of an unsuccessful school may prove difficult when each party has invested so much political capital in success.

Preparation and build-up

17. New secondary schools are normally built up systematically, starting with the first year group and adding a group a year. But this is expensive: diseconomies of scale, which the grant would have to allow for, disappear only when the school is full. I also do not want to start by denying the city colleges to older pupils, nor wait 5 years for the school's first public examination results. I propose to press promoters to achieve a rapid build-up for as many age groups as practicable.

18. There would be a great advantage if at least one city college could open its doors in September 1987. This is an ambitious target, and my proposals will require maximum speed and flexibility in negotiation by all parties. I am setting up a small team of Departmental officials to work on it full

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time. David Young is seconding a Principal from his Department to join the team. I propose to urge promoters to achieve this target if they possibly can, if necessary with only a few pupils in the first term. They will have to move very fast to succeed in finding existing buildings.

Legislation

19. Existing powers enable me to assist independent schools with a grant by means of new regulations, subject to negative resolution. I shall need to establish with promoters how far they would be willing to go ahead on the basis of regulations or require - in this or the next Parliament - the added protection of new primary legislation.

Presentation

20. If our political opponents were to declare themselves totally opposed to the proposal, the prospects of taking it very far in this Parliament would be reduced. Their opposition, and that of the education service, is likely to be less if we present the proposal as an increase in parental choice in those areas where it is most needed, rather than as a criticism of the performance of the LEA-maintained sector.

Manpower

21. Successfully establishing and effectively supervising a number of secondary schools in a climate of political controversy will require a significant staff effort in the first few years. The additional costs have been included in the estimates of expenditure.

Conclusion

22. I seek agreement:

(i) to proceed with plans to establish up to 20 city technological colleges in inner cities on the lines set out in this paper.

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(ii) To announce the scheme [REDACTED]
and to invite proposals from promoters at the same time.

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ILLUSTRATIVE CURRICULUM

The model is of a 6FE 11-18 mixed comprehensive school with 180 pupils in each of years 1-5; 150 pupils in the sixth form, 60 students in each year on full A-level programmes, a 45% staying-on rate; teachers teach for 78% of their time on average; a 40 period a week timetable operates. With 1,050 pupils and 67.9 teachers (including the head) on the staff the PTR will be 15.4. Modified arrangements would need to be made for schools serving other age ranges.

1. CURRICULUM

A. Years 1, 2 and 3

<u>Subject</u>	<u>Number of Periods</u>		
	Year 1	Year 2	Year 3
(1) HUMANITIES (ENGLISH, RE, HISTORY, GEOGRAPHY)	10	10	10
MATHEMATICS	5	5	5
SCIENCE (INCLUDING ASPECTS OF TECHNOLOGY)	5	5	6
(2) MODERN LANGUAGE	4	4	4
EXPRESSIVE ARTS (MUSIC, DRAMA)	2	2	2
DESIGN AND ITS REALISATION (ART, CDT, HE)	8	8	9
PE/GAMES	3	3	3
(3) ESSENTIAL MODULES	3	3	1

(1) Humanities will be taught by specialists in RE, English, Geography and History.

(2) A choice of languages will be available.

(3) The first module for all pupils will be an introduction to IT. Other modules will be in Study Skills, Health Education, and other elements of Personal and Social Education, Economic awareness, Some Business Studies.

(4) There will be 6 teaching groups in PE and Essential Modules, 9 in Design and its Realisation, and 7 in all other subjects.

2. STAFFING

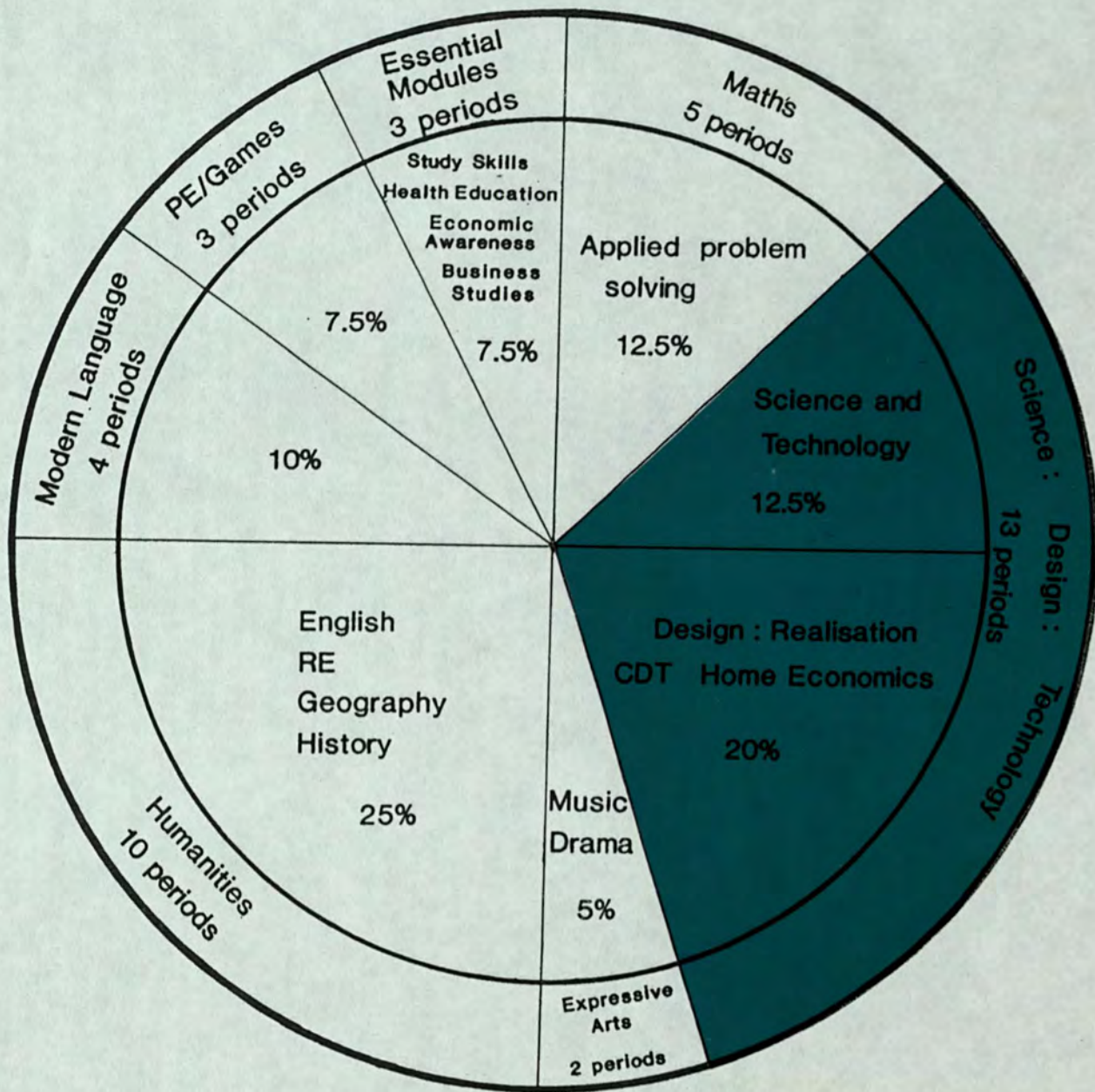
There will need to be about 52 front line specialists on the staff of 66.9 teachers.

<u>SUBJECT</u>	<u>NUMBER OF TEACHERS</u>
ENGLISH	5
MATHS/COMPUTOR STUDIES/SCIENCE	8
SCIENCE	8 (including at least) including 4 one from each) technologists main science))
CDT	6
ECONOMICS	1
BUSINESS STUDIES	1
HOME ECONOMICS	2
ART	2
MUSIC/DRAMA	2
PHYSICAL EDUCATION	3
GEOGRAPHY	3
HISTORY	3
RE	2
MODERN LANGUAGES	6 (FRENCH, GERMAN, ETC)
	—
	52
	—

3. ACCOMMODATION/RESOURCES

Large demands will be made in this area if the curriculum is to be delivered properly eg laboratories/ workshops for technology/CDT/DESIGN; IT equipment throughout the school; residential centre and funds to use it; 8 science laboratories.

● SECONDARY CURRICULUM EMPLOYING SCIENCE AND TECHNOLOGY, BASED ON A 40 PERIOD TIMETABLE WEEK.

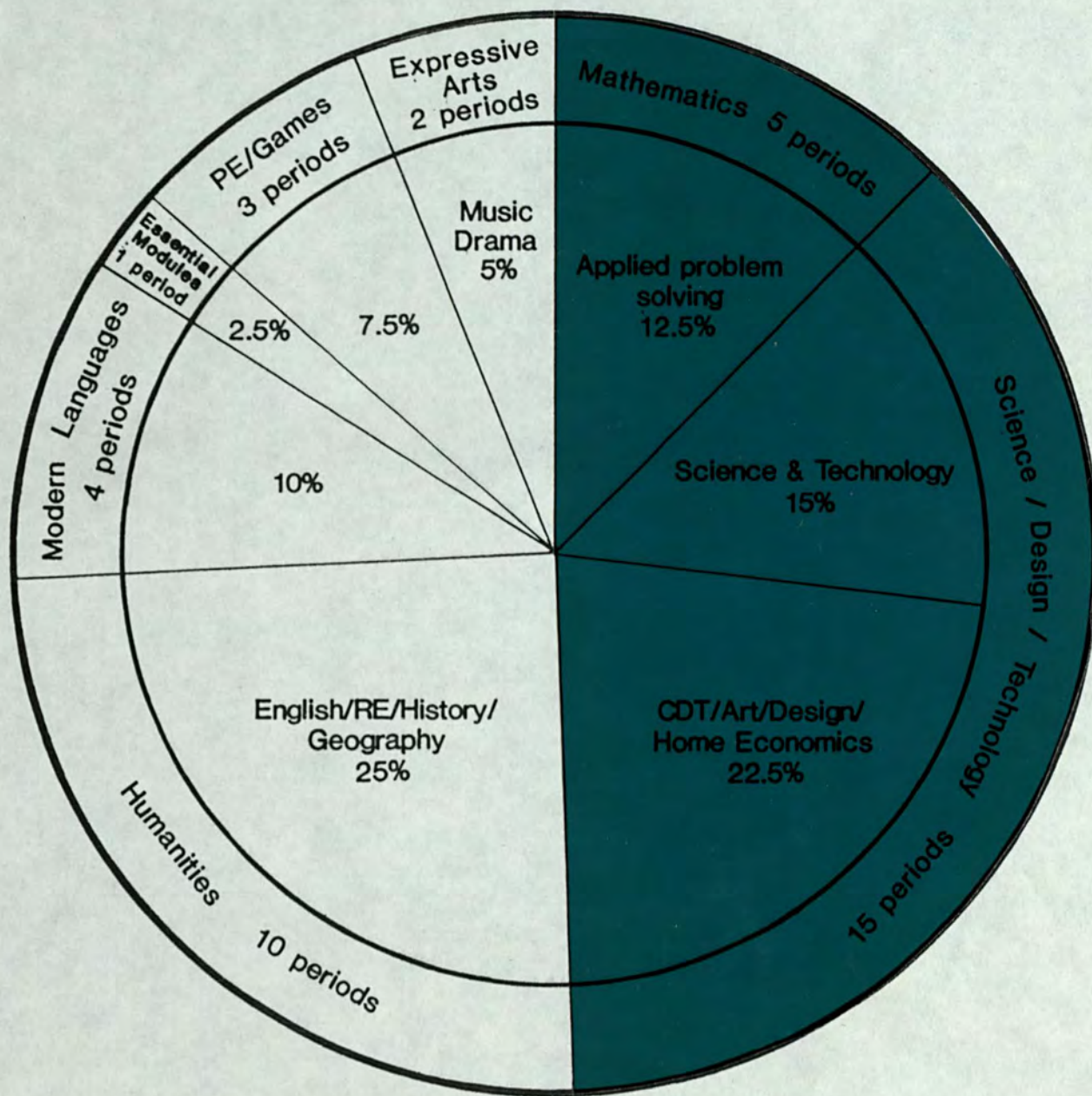


Years 1 and 2

40 period week

- (i) Together Maths, Science, Design, Realisation, CDT take up 18 periods (45%)
- (ii) Humanities consisting of English, RE, History & Geography take up 10 periods (25%)
- (iii) Modern language - 4 periods (10%)
- (iv) Expressive art consisting of music including electronic music, drama, take up 2 periods (5%)
- (v) PE/Games - 3 periods (7.5%)
- (vi) Essential Modules - 3 periods (7.5%)

SECONDARY CURRICULUM EMPLOYING SCIENCE AND TECHNOLOGY, BASED ON A 40 PERIOD TIMETABLE WEEK.



Year 3

Much the same curriculum as in Year 1 except that:

- (i) Maths, Science, Technology, Design now takes up 20 periods
- 50%
- (ii) Essential Modules have now reduced from 3 to 1 period
ie 2.5%

B. Years 4 and 5

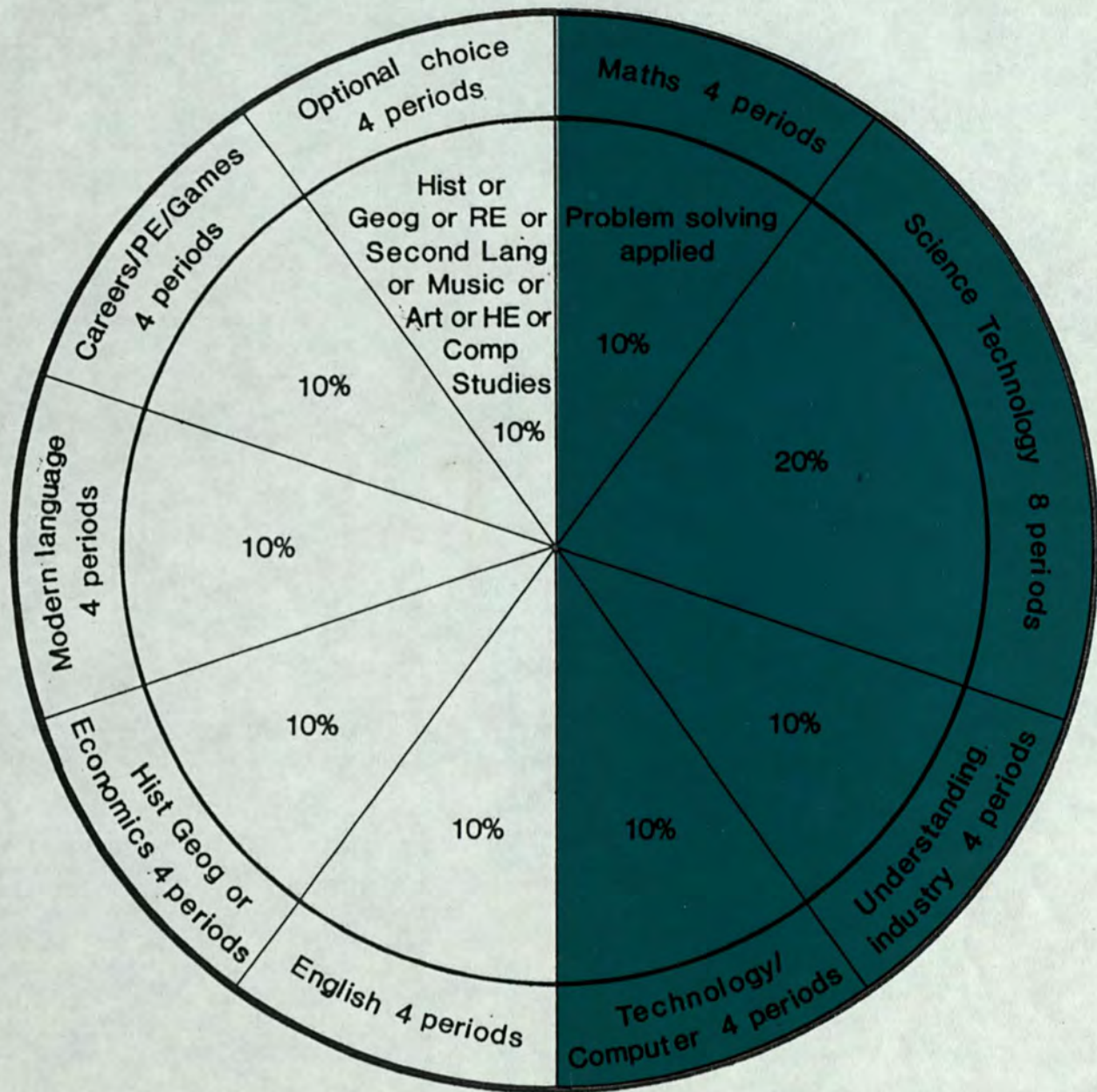
<u>Subject</u>	<u>Number of periods</u>
ENGLISH	4
MATHEMATICS	4
DOUBLE SCIENCE	8
MODERN LANGUAGE	4
UNDERSTANDING INDUSTRIAL SOCIETY	4
TECHNOLOGY ⁽ⁱ⁾ OR COMPUTER STUDIES	4
HISTORY OR GEOGRAPHY OR ECONOMICS	4
(ii) OPTIONAL CHOICE	4
PE/RE/CAREERS EDUCATION AND GUIDANCE	4

(i) The contents of this course will include microtechnology, or craft, design, technology.

(ii) Choice of HISTORY, GEOGRAPHY, RE, SECOND MODERN LANGUAGE, MUSIC, ART, HOME ECONOMICS, COMPUTER STUDIES.

(iii) There will be 10 teaching groups for optional subjects, 9 for Technology/Computer Studies, 8 for Science and Modern Languages, and 7 for all other subjects. Work experience will take place late in year 4, to avoid disruption to teaching programmes.

SECONDARY CURRICULUM EMPLOYING SCIENCE AND TECHNOLOGY, BASED ON A 40 PERIOD TIMETABLE WEEK.



Years 4 and 5

1. This is a very directed curriculum with little optional choice (10%) available.
2. Maths, Science, Technology account for 50% with the addition of extra computing for some pupils via the Hist, geog, computing choice (10%)
And the choice of computing in the optional slot (10%)
3. For individual pupils a reasonably broad curriculum would ensue but with a pronounced emphasis on the scientific and technological.
4. Within all courses there would be an emphasis upon practical, applied problem-solving work.

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

C. Year 6 and 7

<u>Subject</u>	<u>Number of Periods</u>
<u>A-levels</u>	
ENGLISH	} 8 periods available for teaching in each year
MATHEMATICS	
FURTHER MATHEMATICS	
PHYSICS	
CHEMISTRY	
BIOLOGY	
GEOGRAPHY	
HISTORY	
COMPUTER SCIENCE	
ECONOMICS	
TECHNOLOGY	
FIRST MODERN LANGUAGE	
ART	
SECOND MODERN LANGUAGE	
HOME ECONOMICS	
<u>AS Levels</u>	
5 Subjects (bias towards keeping up technology)	4 periods a week available for teaching in years 6 and 7
<u>CPVE</u> 2 courses with a	Each taught for 40 periods a week
BUSINESS STUDIES RSA & AS level course	40 periods a week course
GENERAL STUDIES a week	8 teaching groups taught for 3 periods
RECREATION	8 teaching groups for 2 periods a week
CAREERS/GUIDANCE	8 periods allocated to this work

Some students will move to vocational courses in local FE colleges.

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ANNEX B

POSSIBLE LOCATIONS

London, North Peckham*
London, Notting Hill*
London, Hackney
London, Newham
Leicester, Highfields*
Birmingham, Handsworth*
Coventry
Sandwell
Wolverhampton
Nottingham
Manchester, Moss Side*
Liverpool
Knowsley
Leeds, Chapeltown*
Hull
Middlesborough, North Central*
Newcastle/Gateshead
Bristol, St Paul's*
Bradford
Preston
Southampton
Sunderland
Portsmouth
Derby
Norwich

*Included in Inner City Initiatives

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CITY COLLEGES: ASSESSMENT OF COSTS

For purposes of illustration, it is assumed that there will be 20 colleges with 1,000 pupils in each, or 20,000 pupils altogether.

Recurrent costs

On the basis of the illustrative model curriculum in Annex A, the PTR would be 15.4. At about £13,750 per head (for salary, employer's NI contributions etc at current prices), teaching costs might amount to some £18-20 millions altogether. Teaching costs are generally found to account for about 70 per cent of net running costs, so if that proportion is applied here the total for ordinary running costs would be around £30 million annually once 20 colleges were in operation.

If the proposed experiment in a high level of IT equipment were pursued, a further £50,000 per college might be required annually, adding another £1 million a year to the overall recurrent bill.

Capital costs

The cost of premises would vary with land values and, in the case of existing buildings, with the amount of work required to make them suitable. The total outlay might be anything from £5 millions to £10 millions per college. The aim would be to persuade the promoters to carry the whole of this cost, but any shortfall would be met by the Secretary of State in the form of an addition to the recurrent grant to reflect its amortised costs. As an illustration, if the costs of 10 colleges were met in full by the promoters, but only 50 per cent of the costs were found in the other 10 cases, the shortfall to be amortised via the grant might be about £35-40m. The

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annual cost of amortising such a sum might be about £4m, and this would need to be added to the total of annual recurrent grants.

Phasing of expenditure

On the basis of my present assumptions about the pace at which the colleges are likely to be established, the incidence of expenditure in the PES period would be

			£ millions
1987-88	1988-89	1989-90	1990-91
4	19	33	38

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2

PRIME MINISTER

I should have told you before now, but have only just recalled, that John Anson with whom you discussed education matters this week, is directly descended (great-grandson, I think) from Sir William Anson (third Baronet) who was Parliamentary Secretary at the Board of Education in the Conservative Government 1900-05!

John's father was

the 6th Baron.

N.L.W.

NLW

19 September, 1986.

ML

SUBJECT
cc Master

file

DA



cc BG ✓

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 September 1986

Dear Bob,

HOW TO GET BETTER SCHOOLS

The Prime Minister this afternoon discussed with Mr. Baker his minute of 12 September about the proposed City Technological Colleges, and related matters. Professor Brian Griffiths was also present.

Mr. Baker said his intention was to float at the Party Conference the proposal for City Technological Colleges. The finance had been agreed. A prospectus would be published a week or so later. City Technological Colleges would establish three important principles: a contract directly between DES and schools, per capita funding and a core curriculum. Once established these principles would provide a good basis for future action and progress after the election. The arrangements for future schools to be set up in this way need not be the same as in the case of the Technological Colleges. The proportion of grant to private money could for example be varied. Initially there might be around five Technological Colleges, rising later to about twenty. To start up new schools was a slow business. Changes to existing schools could be achieved more quickly.

Continuing, Mr. Baker said the second strand of his proposals was the devolution of power to governing bodies and parents along lines already in operation in Cambridgeshire, giving them greater authority both over finance and over the curriculum.

The Prime Minister suggested that it would be useful to seek help from a group of good headteachers to develop the syllabus. Mr. Baker noted that some two years ago Sir Keith Joseph had published a report on the teaching of English. English teaching was in disarray and there was a need now to mount an inquiry into the teaching of English and the English language. Bench marks for establishing children's level of achievement were needed. Mr. Baker said he would come back to the Prime Minister with a proposal. The Prime Minister suggested that a similar inquiry should be carried out into the teaching of mathematics and Mr. Baker undertook to consider this.

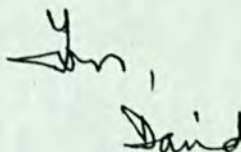
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Turning to higher education, Mr. Baker noted that students at present received grants amounting to some £1500-2000. He was considering a new radical approach to the financing of higher education under which students would receive an entitlement to borrow or receive a grant according to the cost of the particular course they chose to follow. Students could then shop around higher education institutions to find the course of their choice. The UGC would cease to allocate finance. A group of Vice Chancellors was now studying this proposal.

In a discussion of higher education Mr. Baker said that the number of secondary school pupils was expected to drop by about a third during the 1990s. However the demand for qualified manpower would not fall. It would be attractive to put forward a target that at least 20% of the relevant age group should be receiving higher education by the year 2000 (against 14% now). Such a target should not be expensive to achieve. It would mean simply maintaining the present throughput. The Prime Minister remarked that she would like to see a higher proportion of students receiving a technical training.

Mr. Baker said he was also considering proposals to remove polytechnics from the control of local government, along with other institutions. A new grants committee would be required. The Prime Minister noted that the task of a grants committee administering educational institutions at present run by local authorities would be much more complicated than that faced by the University Grants Committee.

In discussion of sex education Mr. Baker drew attention to Backbench pressure for changes to the Education Bill which would give a statutory right for parents to withdraw their children from such education. He was seeking now to devise a compromise under which governing bodies would approve the material to be used in sex education lessons, and give the school but not parents a right to withdraw a child from such lessons. The Prime Minister agreed that it would be wrong to give parents the right to withdraw their children from sex education lessons: the children themselves would suffer because they would be teased.



(DAVID NORGROVE)

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

SUBJECT
CC Master

Ple

DA 6



CCBG ✓

10 DOWNING STREET
LONDON SW1A 2AA

18 September 1986

From the Private Secretary

Dear Rob,

HOW TO GET BETTER SCHOOLS

At a meeting with your Secretary of State this afternoon the Prime Minister referred to the Chancellor's point (which he mentioned at MISC 122 on Monday) that RSG was broadly equal to local authority expenditure on schools and related administration. The Prime Minister said this was an insight worth pursuing. If greater power were devolved to governing bodies and parents along the lines of the Education Bill and taken further by City Technological Colleges, it might be possible to make more drastic changes so that local authorities ceased to be responsible for education. They could then at the same time cease to receive central government grants and would stand on their own, to be dependent for their income entirely on receipts from business rates and the community charge. A change of this kind would need the most careful consideration both from the point of view of local authority finance and also from the education point of view. Parents, for example, now regarded education as a national service and it might well be difficult to find enough people to take the responsibility for running local schools. There could well be a need for umbrella organisations, particularly in difficult areas, which would help administer groups of schools. Some LEAs might become umbrella organisations. They could be known as local education trusts. Public schools might be able to help with the management of schools in their local areas.

The Prime Minister has asked that your Secretary of State should consider these ideas with the Chancellor, with a view to a meeting after the Party Conference on the basis of a paper prepared by the DES and the Treasury. Knowledge of the proposals should be kept to as small a group as possible.

Your Secretary of State made the point today that the City Technological Colleges will help establish three

principles: contracts between DES and schools, per capita funding and the core curriculum. The paper might discuss how these principles would by stages come to be applied to an increasing number of existing state schools, as your Secretary of State envisages, including how those schools would then be administered, and how the transition would be handled. The proposal of course raises a wide range of questions which need to be considered. They include the arrangements for negotiating and fixing teachers' pay, how per capita payments would be decided, whether school assets (and the related debt) would be held by the umbrella organisations or by school boards, the relative responsibilities of local areas and school boards as against central Government in providing capital, the organisation of the inspectorate, and arrangements for aiding closure of schools and the creation of new schools.

It would be useful if the paper could also cover so far as possible the implications of the proposals for local authority finance.

I am copying this letter to Alex Allan (HM Treasury).

Yours,

David.

David Norgrove

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

SUBJECT
cc Master

APPOINTMENTS IN CONFIDENCE

SL2A10



bc: 85

10 DOWNING STREET
LONDON SW1A 2AA

MEETING RECORD

From the Private Secretary

18 September 1986

Dear Rob,

LIAISON WITH UNIVERSITIES AND POLYTECHNICS

At their meeting this afternoon Mr. Baker raised with the Prime Minister the question of political liaison with universities and polytechnics. The Prime Minister agreed with great reluctance that the role of Robert Rhodes James in liaising with universities should be restored and that Mr. Tony Baldry could be given the task of liaising with polytechnics. (The Prime Minister mentioned Lord Harris as someone who might also be helpful in liaising with polytechnics and universities.)

I understand that Mr. Tebbit should be consulted before a final decision on this is taken.

This is of course a political matter. Your Political Adviser may therefore wish to liaise with Stephen Sherbourne (to whom I am copying this letter) about how to take it forward.

Yours,

David

(DAVID NORGROVE)

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

APPOINTMENTS IN CONFIDENCE

08

SCHOOLS : A NEW APPROACH

Local authorities have very little of the perceived responsibility for school education, yet enjoy a very large share of the power. Major improvements in education depend on putting right this mismatch.

One option would be substantially to reduce the power of local authorities. The aim would be to give parents more direct power as consumers, while giving the school management more effective power to recruit appropriate staff and manage their local budgets.

For this purpose the school needs to be established as a clearly defined unit for both management and budgeting, with its income directly related to the number of pupils whom parents choose to enrol in it. Each school would be governed by a board elected by parents. Decisions on hiring and firing would rest with the individual school board and head teacher. Fixed term contracts, renewable, would become the norm. The school would be free, within its local budget, to recruit suitable staff for local needs.

At the same time, the Secretary of State would have effective powers to discharge the responsibility which only he can fulfil: to lay down a core syllabus, to specify examination standards, to monitor performance and value for money, to ensure an adequate supply of suitably qualified teachers, and to control national expenditure for education.

These requirements at the local and national level would be reinforced by a system of per capita funding direct to the school. The capitation payments would be fixed at a standard rate per head for the main pupil categories, though some limited additions might be needed.

There might be a need for a tier of administration between schools and the DES but its role should be advisory rather than executive. During the transition it might also be worth considering the creation of small groups of not more than, say, ten schools so as to reduce the number of units with which the higher levels of administration would have to cope.

A condition of state funding would be that the school would accept pupils up to its reasonable capacity. A substantial part of capital spending would probably need to be financed by DES.

Developments of this kind would leave little room for local authority involvement. The counties would then be left essentially with personal social services, police, fire, further education and some roads. If schools and related LEA were removed the local authorities would be relieved of expenditure roughly equal to their receipts from Rate Support Grant. They would thus be able broadly speaking to finance the remaining services entirely from the local revenues and the present specific grants. There would be no need for Rate Support Grant, so it would be much clearer that the local authorities were responsible for the level of the community charge they levied. It should be possible to give the local authorities a much freer hand in running their services, subject only to control of their borrowing.

Such a scheme would have a number of major advantages:

- parents and children would have the chance to exercise real consumer power;
- there would be greater devolution to the school and freedom for head teachers to manage their budgets;

- local government as a whole would bitterly resist the loss of education, but the districts would gain from being left freer to provide the remaining local services with local revenues;
- the Government would be able to carry out its central role while leaving detailed administration where it belongs at the level of the individual school.

DCABJY

SUBJECT
CC MASTER.

SECRET

Pile

ECL 5.



MEETING RECORD

10 DOWNING STREET

LONDON SW1A 2AA

18 September 1986

From the Private Secretary

Dear Alex,

SCHOOLS - THE WAY AHEAD

The Prime Minister this morning discussed with Mr. John Anson and Professor Griffiths the ideas set out in the Chancellor's minute of 5 August for restructuring school education.

The Prime Minister described the proposals as sheer genius. But an immense amount of detailed work would be needed before any decisions could be taken. It was a sound idea to seek to disentangle education from local authorities. The 1944 Act had been based upon the need to avoid arrogating too much power to central government, from fear that it would be misused. But it would now be right to extend the 1944 Act whilst not taking power fully into the hands of central government. An analogy might be the way in which responsibility for housing was gradually being taken from local authorities and placed with housing associations, bringing power nearer to people.

The Prime Minister further suggested that there would probably need to be some form of umbrella organisation covering a group of schools, between the individual schools and central government. Many parents would want that reassurance and it could give a continuing role to local education authorities, reducing their hostility to the proposals. It was agreed that one idea which should be considered would be to set up a national education trust, to form the central administration for the school system. Single function local education authorities might be created separately from the local authorities and renamed local education trusts, with membership partly elected and partly appointed. School assets and the associated debt might be transferred to custodian trusts (which might or might not be the local education trusts). These would in turn give powers to individual school boards which could be withdrawn if the school boards failed to fulfil their obligations. The local education trusts would be administrative; they would have no role in determining syllabuses or examinations.

mg
M

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Other points made in discussion included the following.

- (i) The inspectorate would enjoy greater sanctions under the proposed system, and would be brought within closer central government control.
- (ii) Continued central government control over pay arrangements and capitation rates would be needed to avoid leakage into higher pay.
- (iii) Arrangements would be needed for aiding closure of schools and creation of new schools.
- (iv) Central government would probably continue to provide most of the capital for the school system.
- (v) It would be wrong to place too much weight on the role of parents in running schools: work on school boards would not necessarily attract the right people and excessive reliance on parents would cause problems through lack of continuity.
- (vi) Many head teachers would not be capable, at least initially, of handling the additional responsibility. They would need guidance.
- (vii) Public schools might be able to help school boards in their areas.
- (viii) It would be useful to bring together a group of a dozen or so good headmasters to consider and advise on a core syllabus. Required standards of attainment would also need to be set alongside such a syllabus.

I am copying this letter to John Anson (H.M. Treasury).

John
David

DAVID NORGROVE

Alex Allan, Esq.,
H.M. Treasury.

PRIME MINISTER

BILATERAL WITH MR. BAKER

You will want to spend most time on the problems of ACAS, Main and future work on educational reform. The papers are

- A note by Brian Griffiths
- B minute from Mr. Baker
- C summary of the Chancellor's proposal which you could give to Mr. Baker if you wished.

You also wanted to raise with Mr. Baker the future of the ^{London}~~Brompton~~ Oratory School (Flag D). Other matters Mr. Baker may raise with you are

- university political representation (note by Shana, Flag E);
- future arrangements for the polytechnics;
- teaching of the English language (you will remember that Mr. Baker was concerned about this and is proposing an independent working party to review teaching methods);
- sex education; there is apparently some pressure for the Education Bill to include a statutory right for parents to withdraw children from sex education; Mr. Baker, I believe, is not convinced that this is the right approach and would like instead to give more power to parents and governors to control the material and methods used in schools.

Education Policy

Mr. Baker's minute (Flag B) is very thin, but the main elements of his plans seem to be:

(i) teachers in England and Wales will have to be given the £1¹/₄ billion (at least) if the Government is not to be blamed for further disruption in the schools;

(ii) the Coventry agreement falls well short of the Government's objectives, but it is an improvement on the previous position and is anyway the most that can be achieved this side of the election;

(iii) specific grants should be used to give local authorities an incentive to enforce teachers' contracts as defined in the Coventry agreement;

(iv) the creation of City Technological Colleges will break the local authority monopoly;

(v) greater power for parents, heads and governing bodies as "foreshadowed" in the Education Bill. It will put further pressure on local authorities.

Mr. Baker rejects the introduction of vouchers or the transfer of education from local authorities to the centre, though at the end of his minute he refers to "the possibility of existing state schools coming into a directly funded regime later".

In Mr. Baker's hands this could no doubt be presented as a very attractive package. The specific grant powers are an earnest of future action, promising improvements, but probably not available for Mr. Baker to use much before an election, so avoiding trouble and controversy. The Technological Colleges will be controversial, but perhaps not greatly so: there will be very few of them, they will be biased towards inner city areas, and local authorities may expect that their numbers will not rise much through

lack of private money and committed people to run them. The colleges will encourage the Government's supporters without greatly threatening the Shire counties or even, at bottom, other LEAs. The greater powers for parents, heads and governing bodies are already almost in place.

Mr. Baker's is in many ways a gradualist approach. With determined effort and a willingness to court unpopularity, and further disruption in the schools, it could begin to move schools towards the government's objectives. The questions are first whether the changes would happen quickly enough and secondly whether Mr. Baker is really concerned about the substance as well as the form of his approach. To my mind it is all form and no substance.

Mr. Baker's approach is nevertheless consistent with more radical changes which could be made in the next Parliament. In particular, specific grants are a move away from local authority discretion and in that sense a move towards direct funding of schools by central Government. Technological Colleges could also be a first small step towards direct funding of schools by central government, as Mr. Baker recognises, and central government is intended to have a strong say in the syllabus they will teach. None of the three options for new negotiating arrangements need prejudice a move later to local negotiations on teachers' pay (a standing advisory committee or reformed Burnham could be abolished and local authorities would have no role in non-statutory arrangements if they ceased to be the channel for funding schools).

You will want to push Mr. Baker towards more radical changes, brought in more quickly than he seems so far prepared to envisage.

You might ask him to consider and prepare a report on a range of options. He is at the moment offering table d'hote; there is no à la carte.

(a) His own scheme. You asked him at MISC 122 to prepare a note on how he would in practice operate the specific grant powers he proposes.

(b) An intermediate scheme. Mr. Baker may envisage that directly funded schools would be extended as people come to recognise that the Technological Colleges are a success. However the Government could choose to move ahead of public opinion, stating in advance plans to bring in direct funding of a certain percentage or number of schools each year, with a provisional target for the total. Local authorities would continue to run the remaining schools, perhaps under rolling contracts. Reasonable administrative costs would be met and funding might be per capita, equal to the funding provided to the directly funded schools. Local authorities themselves could be invited to prepare plans and propose their own ways forward. Variety in education is surely an important objective.

(c) The Chancellor's scheme, with all schools directly funded. LEAs might continue to have a role in administration and inspection.

But whatever the options, the important point to establish is that fundamental discussions of education policy must continue: Technological Colleges are only a tiny start.

DAN

DAVID NORRGROVE

17 September 1986

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E

PRIME MINISTER

Liaison with Universities

You will recall that Robert Rhodes James resigned his post as Liaison Officer for Higher Education following some differences with Sir Keith Joseph over university funding. You will also know that no replacement has yet been appointed pending reconsideration of the whole question of liaison between the Party and the academic world.

The present position is:

1. The Secretary of State for Education wishes to invite Robert Rhodes James to return to his post, in the knowledge that the latter would be keen to do so (see attached letter).

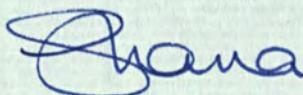
Mr Baker also suggests that another colleague be appointed to deal specifically with polytechnics, and has put forward Tony Baldry's name.

2. The Chief Whip points out that Mr Rhodes James can be a bit of a problem, but is content with the Secretary of State's proposals.
3. More serious reservations have been expressed, however, by Central Office, where is concern not only about the suitability of Robert Rhodes James and Tony Baldry, but also about the system of liaison.

Page Two

4. You did discuss this very briefly with Stephen Sherbourne, before he went on holiday, when you agreed that a short meeting should take place between you, the Secretary of State, the Chairman and the Chief Whip (with Stephen or Michael Alison in attendance). You then decided to discuss the subject at one of your regular meetings.

I am sure the Chairman would want to put the Central Office point of view to you before a final decision is made.



SHANA

17.9.86



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Michael Alison MP
Parliamentary Private Secretary
10 Downing Street
LONDON SW1A 2AA

August 1986

In Michael,

Many thanks for your letter of 28 July. I have been concerned for some time about the fact that we have not had an effective liaison between the party and the academic world. Robert Rhodes James as you know decided to resign some months ago and there has been a gap.

Just before the recess, I talked to Robert Rhodes James to see if he will be prepared to work with us again and he was very keen to do so. He felt that the statement made by Keith on university funding pointed the Government's policy in the right direction and he welcomed my statement on student grants and loans. So what I would like to do is to invite him to be our liaison again. I think he will be very good at this. He is well respected in the older universities and would do this work well. I had a word with John Wakeham about it and he thinks it is always useful to have Robert on our side on this matter.

However I think that in view of the fact that there are 47 universities and 29 polytechnics it's quite impossible to expect him to get round all of them, and I would like to appoint another colleague to deal specifically with the polytechnics and I had in mind Tony Baldry. I think he would like this and he will do it in a thorough and workmanlike way. Perhaps you will let me know if the Prime Minister agrees with this. I would of course, with George Walden, co-ordinate their activities to ensure they cover the ground between them. Quite apart from this both George and I are taking quite a lot of time to talk to academics. I hope to make an announcement on the polytechnics at the end of this month which should provide a period of peace as regards the polytechnics and their campaign attacking us for wanting to reduce places. And as regards the universities we have a long way to pull back our position, but an essential part of this will be the PESC outcome.

Michael
Alison

BETTER SCHOOLS: MEETING WITH JOHN ANSON

The Treasury Proposals

The new structure of education proposed by the Treasury paper follows very closely the proposals of the No Turning Back publication of July 1986 entitled Save Our Schools (~~see Appendix A~~). It is a major shift from the domination of education by producer interests (teachers, unions, LEA administrators, DES officials) towards extending parental choice. The new system has six distinguishing characteristics:

- (i) the creation of legally independent, self-governing schools;
- (ii) direct per capita funding to individual schools by central government (a stimulus to competition);
- (iii) open enrolment (extending parental choice);
- (iv) election of school boards by parents (extending parental influence);
- (v) de-centralised pay bargaining (between school boards and individual teachers);
- (vi) a DES which has four major functions: the laying down of national standards and syllabuses, the monitoring of performance, responsibility for the supply of teachers, and for total expenditure on education.

It is interesting to note that schools would become similar in structure to the proposed City Technological Colleges (without of course being technically based).

Questions regarding the proposals

The paper recognised that "the massive size of the change must not be underestimated." This raises many questions.

Foundation of the new schools

Central to the proposal is that control of existing county schools is transferred from LEAs to School Boards elected by parents.

1. Who "owns" the property rights of the new 'schools'?
 2. One possibility is that ownership would be vested in an independent trust. Transfer of assets from the LEAs to a trust requires the trust raising funds to purchase the building. Is this a right which might be given to parents? (comparable to the right to buy council houses). If so, how many schools would be likely to take up the offer?
 3. Another possibility might be that the DES/Local Authorities remain the trustees of the property which would entitle them to seats on the School Board.
 4. Under the proposals, the foundations of existing voluntary aided schools, will lose control over appointments, admissions and to some extent curricula to parents. Should the independence of these foundations especially the churches be protected?
-

5. What is the minimum working capital which the new schools would need? How might it be raised? Loans? Private trusts?

Expansion and Contraction of Schools

Population change and parental choice will mean the expansion and contraction of some schools and the creation and closure of others. These are questions which are certain to be raised by DES officials.

6. What would be the source of capital for establishing new schools: 100% central government, 100% private endowment or x% private and y% central government (with adjustment for deprived areas)?

7. What requirement would a group of parents who wished to establish a new school need to satisfy (e.g. minimum number of pupils, extent and quality of facilities)?

8. How would the funding and planning of the schools be related to the ebb and flow of children between schools?

9. What would be the role of central government in offering transitional assistance to close those schools in decline?

Teaching staff

10. Would all teachers at these new schools need to be qualified according to criteria laid down by the DES?

11. Would teacher training continue to be planned and controlled by the DES? Why not apply the proposals for schools to the running of teacher training colleges and take them out of the hands of the DES?

Compulsory education and Admissions Policy

12. Would parents have the right to have their child educated on a defined geographical area?
13. If education between 5 - 16 is compulsory, who would be charged with enforcing it? (LEAs, DES)
14. If admissions policy is in the hands of individual school boards would you need a state-run School Board as a provider of last resort in an area?
15. Would the admissions policy of the schools be decided by the School Board? Should there be a right of appeal to anyone?

Role of the DES

Under the new proposals the Secretary of State would have substantial powers: the setting of a core syllabus, specifying examination standards, monitoring academic performance and value for money, ensuring an adequate supply of trained teachers and controlling total expenditure on education.

16. If the DES is to be responsible for all monitoring functions will its bureaucracy increase? Does not this weaken the traditional Treasury argument against the use of specific grants?
17. Is the task of monitoring best undertaken by DES officials, HMI Inspectorate or the Local Government Audit Office, or some combination?

Powers of the new LEAs

LEAs will find their activities radically changed as a result of these proposals.

18. What role will the reduced LEAs play in administering the system? Will they become agents of the Secretary of State? If not who will handle matters such as the determination of capital grants, the total allocation of funds for individual schools, the approval of new schools, securing attendance at school of children of compulsory age, and the provision of special schools.

19. Will LEAs continue to be responsible for

- (a) provision of education for under 5's
- (b) provision of functions of higher education, adult education and the youth service?

Curriculum matters

In principle parental choice should not only dictate the size and number of kinds of schools but also influence the curriculum. Very little discussion of this exists in the Treasury paper or in the pamphlet "Save Our Schools". "It will be the decision of the parents, subject to the requirements laid down by the school inspectorate, which decides the relative weight given to "peace studies" an approach to reading and writing" (p. 24 SoS)

20. Should Her Majesty's Inspectorate be required to lay down objective minimum standards for what children are capable of doing at certain ages (which would apply nationally) and which schools will be expected to achieve? If so is the present location of HMI within the DES correct? Should it be strengthened by the appointment of outsiders?

21. If HMI have a monopoly over determining standards, is not this a backdoor method of central government control over the academic output of schools which potentially is a serious restriction on parental choice?

22. As there seems to be no agreed consensus among HMI and educationalists over what constitutes "standards", is there not a case for encouraging alternative curricula and alternative examinations?

Costs and Charges

Under the proposal, capitation payments to schools would be slightly below the current national average unit costs, with extras based on factors such as geography and ethnicity being kept to a minimum.

23. For the system as a whole how much are costs likely to increase as a result of excess capacity in declining schools? Should the government speed up the process of decline?

24. In view of great differences between LEAs in average unit cost of running schools, in which way might costs be reduced under these proposals?

25. Should schools be allowed to charge parents or would extra resource have to be found through charitable fund-raising? If charging becomes common should it be made tax-deductible?

BG.

BRIAN GRIFFITHS

PRIME MINISTER

17 September 1986

Bilateral with the Secretary of State for Education

Issues which might be raised

August

At the last bilateral you requested that he come forward with some initiatives during August. His record is impressive - see Appendix A - even if the good news is extra spending!

Sex education

Strong letter by Secretary of State to ILEA.

Coventry Agreement

This is an issue to which you need to return after Monday's meeting of Ministers. The danger is that all teachers will be given a blanket pay increase and placed on a new salary structure which blunts desirable incentives. Furthermore the union leaders will sign a document on duties and responsibilities, which they know they are unable to deliver.

He is reluctant to take any initiative which might rock the boat. You need to press him however on the conditions which he must lay down, following Coventry and Main, in order for the funds to be made available. If the government states publicly that it is prepared to fund the agreement then he is in a very strong position to insist on modification to the Coventry agreement on the following issues;-

salary structure

method of appraisal

working times, and
non-contact time.

Are the DES ready to declare their hand?

London Oratory School

This might be raised in order to alert the Secretary of State of the need to take possible action at the appropriate time.

How to Get Better Schools: The Baker Strategy

The memorandum from Kenneth Baker is more a preface than a thought-out statement of the Secretary of State's strategy. With the exception of establishing 12-20 City Technological Colleges his strategy is indistinguishable from Keith Joseph's, even though his style is quite different. It is based fundamentally on Better Schools and the present Education Bill. It looks something as follows:-

(a) Curriculum Development

Leave to HMI except for TVEI, and a possible enquiry on the teaching of English;

(b) Exams and Achievement

Introduction of GCSE, AS level courses, CPVE (Certificate of Pre-Vocational Education), NCVA (National Council for Vocational Qualifications);

(c) Improving Quality of Teachers

Rely heavily on Coventry agreement plus specific grants for in-service teaching;

(d) Parents and School Government

New role for parents as governors.

(e) New Schools

City Technological Colleges.

(f) Replacement for Burnham

Establish a national pay review body;

(g) New Powers for DES

Greater specific grants for education.

In his note he rejects the introduction of vouchers and with the exception of setting up City Technological Colleges offers no fundamantal challenge to the present system. The whole approach places great faith in specific grants and in a new settlement on teachers duties and responsibilities.

We know however that lasting improvements in the quality of education can only be got by a major shift from producers to consumers. By contrast Baker's strategy offers parents more influence but very little extra choice, maintains LEAs as the pivotal institutions of education strategy but increases the power of the DES over them.

His note prompts two questions.

1. Does he intend that the four essential features of City Technological Colleges in para 4

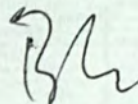
- contract between each college and central government,
- direct per capita funding of each college,
- non-union pay structure,
- more challenging curriculum,

should become the norm for all schools in the maintained sector?

If not, what guarantee do we have of achieving better schools? If he does on what timescale does he see the major conversion of the existing system taking place?

2. Does he intend to take other initiatives which would almost certainly improve the present system e.g.

- compulsory open enrolment,
- devolution of greater management powers to schools,
- disclosure of more information on pupil standards and achievements,
- move towards core syllabuses under GCSE?



BRIAN GRIFFITHS

- August 5 S/S: Issues new Circular about falling school rolls
Interview on BBC Radio 4 'Today' Programme

(Meeting the challenges of the next decade - to improve standards; respond to the effect of falling rolls and to make schools cost effective)
- August 5 Junior Minister (Mr Walden): BBC Radio 4 'World Tonight'
Review of student awards

(The review, announced with the rates of student grant for 1986/87 is to make a comprehensive review of grants to degree students)
- August 6 S/S: Issues new Circular on sex education in schools

(The Circular says that all primary and secondary schools should have a policy for sex education and should keep parents informed about it)
- August 7 S/S: Announces £200m new initiative to improve quality of teaching - S/S on BBC Radio 4 'Today' Programme

(The scheme could allow up to about 100,000 teachers a year to attend courses running from three days to a year)
- August 11 S/S: Articles in Woman's Own about Government plans for education
- August 12 S/S: Launches research project into attainment targets for primary mathematics

(A £30,000 project, lasting 10 months to develop a range of assessment techniques and attainment targets)
- August 20 Facts cards about GCSE sent to all regional media

(Briefing notes on what parents need to know, what the courses will comprise and how they compare with GCE and CSEs.)
- August 24 S/S: Article in News of the World about Government plans for education
- August 28 S/S: Announces extra £54m for polytechnics and colleges
Interviews on BBC TV, ITV News, IRN and BBC Radio 4 World at One

(Announcement of £715m in 1987/88; an 8% increase on 1986/87, enabling expansion rather than the contraction forecast by the NAB (National Advisory Body))

September 2 S/S: BBC Radio 4 'Brainwaves' - 30 minute discussion on education

September 10 S/S: Promotes second year of CPVE on River Thames launch. Interviews on BBC Radio 4 'Today', John Craven's Newsround, BBC TV News, TV-AM and Local Radio.

(A promotional event, with the Secretary of State awarding CPVE certificates to 57 young people, designed to increase awareness of the courses.)



10 DOWNING STREET

Prime Minister

Mr Baker may also
want to discuss DES
stopping. Note by RTA
below.

DES
17/11

cc Blue

Prime Minister

Ref. A086/2561

MR WICKS

I understand that, when the Secretary of State for Education and Science comes to see the Prime Minister on 18 September, he may wish to talk about senior civil servants in the Department of Education and Science.

2. I have myself had some talk with Sir David Hancock about this, and a short talk with the Secretary of State and Sir David Hancock together.

3. So far as I can judge, the Secretary of State is getting on well with Sir David Hancock himself.

4. The Secretary of State is content that Mr Walter Ulrich should serve out his time until retirement at Easter of 1987. The proposal is that he should then be replaced as Deputy Secretary in charge of the Schools Branch by Mr Philip Halsey (who would be asked to serve a year or two beyond his sixtieth birthday (May 1988): this is likely to suit him for pension reasons, since he was a late arrival in the Service and will be glad of the extra years to add to his pension entitlement).

5. To replace Mr Philip Halsey the present proposal is to promote Mr N W Stuart (44 next month). He is without question the best of the Under Secretaries at the Department of Education and Science. The Secretary of State has been much impressed by the quality of his mind and his contribution to discussion, and has no reservations about his commitment to work for the Government's policies.

SENIOR STAFF IN CONFIDENCE

6. The Secretary of State believes that it would be a good idea to replace Mr Bird (54) with a Deputy Secretary from another Department. I am discussing with Sir David Hancock possibilities for a switch. It might be possible for Mr Bird to go back to the Department of Transport, which is his native heath.

7. Sir David Hancock is also looking for a strengthening of his Under Secretary line. One possibility here is that, when Mr John Wiggins (48) finishes his tour here at the end of this year, he should go to the Department of Education and Science rather than back to the Treasury. He would undoubtedly be a strengthening to the Under Secretary line in the Department of Education and Science. He himself would prefer to go there, where his promotion prospects would be better than in the Treasury. Sir Peter Middleton is prepared to release him. I am seeing whether I can arrange a two or three way switch to make this possible.

RA

ROBERT ARMSTRONG

16 September 1986

PRIME MINISTER

16 September 1986

*in folder at back
of file.*

I enclose a copy of Jenny lives with Eric and Martin which is available to all ILEA Schools. Pages 16-19 are particularly offensive.

I also enclose the Secretary of State's letter to W H Stubbs, the Chief Education Officer of ILEA, which is very forthright in its reply and will doubtless lead to the charge of censorship. It is apparently very rare for a Secretary of State to take such action and may be the first occasion on which a particular book has been banned. Kenneth Baker deserves to be congratulated on taking such a firm stand.

Bh.

BRIAN GRIFFITHS

PN seen. 17/9.

*JRS
18/9.*



Silent copies to:

Mr R L Smith ✓	Mr Summers
Mr Hillier	Miss Gilbey
Mr Spearing	Mr Perks
Miss Roberts	Miss Bienkowska(o.r)
Mr Marston	SI Mr Ungoed Thomas
Mr Halsey	Mr Partridge
Mr Ulrich	
SCI	

W H Stubbs Esq
Education Officer
Inner London Education Authority -
The County Hall
London SE1 7PB

15 September 1986

Dear Mr Stubbs,

Thank you for your letter of 17 July to Miss Bienkowska about the book "Jenny Lives with Eric and Martin".

2. The Secretary of State has carefully considered the place of this book in schools, in the light of the Authority's arrangements for making it available to and within schools. He notes that, although the Authority does not consider this book to be suitable for general use within its schools as part of an open library collection, it nevertheless is willing to lend it to schools on request and also envisages that the book might be made available to individual pupils in exceptional circumstances, under adult guidance.

3. The Secretary of State considers that there is no place for this book in any school. The book lacks balance in its approach to the moral and other issues of homosexuality. It could be read as advocating homosexuality, an approach which the Secretary of State regards as unacceptable in school education: it appears to him to amount to propaganda not education, and he believes it would be so regarded by the great majority of parents. Despite presenting itself as a frank and open portrayal the book avoids all the complex questions about the situation which it portrays, such as the likely long term psychological effects on the girl as she matures.

4. As Ministers have stated in the draft circular on sex education recently issued for consultation - a copy of which I enclose - schools should not avoid controversial aspects of sexual behaviour such as homosexuality; but these call for particularly careful and sensitive handling by teachers, and the book to which I refer is, in the Secretary of State's view, entirely unsuitable for the purpose.

5. For the reasons set out above, the Secretary of State invites the Authority to withdraw the book from the central loan collection available to ILEA schools. He also recommends that the Authority should make it clear to its schools that this book is unsuitable for use in schools in any circumstances.

6. I should be grateful to have your early response to this letter.

7. In view of the public and Press interest in this matter, the Secretary of State has decided to make this letter public.

*Yours sincerely,
Michael Phipps*

M D PHIPPS
Schools Branch III

PERSONAL AND CONFIDENTIAL

PRIME MINISTER

1. I thought it might be helpful in the light of our forthcoming meetings on teachers' pay and on City Technological Colleges if I set out, for your eyes only at this stage, how I see progress on these fronts leading to better education in the future.

2. Raising the quality of education is crucial. We do not want further disruption in the schools. A reasonable deal from Coventry and Main which provided good value for the children, the parents, the Government and the teachers would help to restore order and improve the recruitment, retention and motivation of teachers. While I do not believe that we shall be able to secure an ideal structure on pay and conditions, there is the chance of some improvement; and we do have the opportunity to get a financial grip on local authorities which will give them every incentive to enforce teachers' contracts. I do not think that anyone has come up with a better way of doing this than through a specific grant mechanism. I have done a separate short note for MISC 122 next week.

3. Our problems over teachers' pay can be attributed to the monopoly position of the local authorities and the teacher unions. We need to create alternatives. I see the initiative that we are to take on City Technological Colleges as a vital complement to a settlement on teachers' pay. To have alternative state-funded schools operating in local authority areas is a far better way of reforming the education system than the introduction of vouchers or the transfer of education from the local authorities to the centre. It will be helpful to consider extending the coverage of specific grant into other aspects of education delivery by local authorities and to look further at such possibilities as open enrolment, but

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PERSONAL

I think getting City Technological Colleges up and running
- trusts set up, sites found, heads appointed, children taught
- will be worth much more than speculation over abstract
reform which excites and then denies expectations.

4. Essential features of City Technological Colleges are:

- (i) A contract between the promoters of each College and central Government. The promoters would take responsibility for running the colleges. We should avoid creating a large bureaucracy at the DES.
- (ii) Direct per capita funding for each College.
- (iii) Freedom within the State system from salary structures negotiated nationally with the unions.
- (iv) The obligation to teach a challenging and up-to-date curriculum to all pupils.

5. I believe that through City Technological Colleges breaking the monopoly of the local authorities these factors will be seen as essential to the revitalizing of our education system. This reform could form the basis of a really attractive manifesto position for our Party at the next election. This would rest on:

- (i) A better paid teaching profession but with levers through specific grant to help ensure that better teaching is actually delivered and employers act as employers should.
- (ii) More pressure on local authorities to deliver high quality education - from above through the extension of the specific grant sanction; and from below through giving greater powers to parents, to heads and to governing bodies as foreshadowed

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PERSONAL

in the Education Bill.

- (iii) The creation within the state system of real alternatives to local authority maintained schools, with more parental choice, and with the possibility of existing state schools coming into a directly funded regime later.

6. I am ready to discuss this further, along with one or two other matters I would like your advice on, when we meet next week.

kb.

KB

Department of Education
and Science

12 September 1986

CONFIDENTIAL

PERSONAL

23 ST. JAMES'S PLACE
LONDON SW1A 1NH
01-493 4795

11th September 1986

W. Waldegrave,

*This refers
to Lord Rothschild's
answers to your earlier
letter.*

*1
N.C.U
.59*

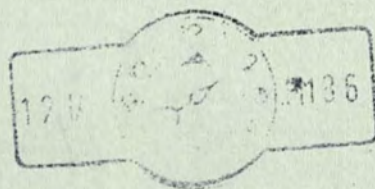
Mr. Wicks

I got an enquiry from you through William Waldegrave. At the moment I believe the answer is yes.

In the same way as the previous effort was due to Mr. (now Sir Leonard) Hoffmann, this effort may be due to Mr. I. Bickerstaff.

Lord Rothschild

Lord Rothschild





ms

10 DOWNING STREET

Prime Minister

Bf. I have arranged a meeting with Mr Baker for Thursday next week.

He plans to let you have a note on how he sees the way forward now.

You ~~can~~ ^{could} mention the Chancellor's plan to him then if you wished. (I have prepared a summary of it.) You will have seen John Auzon from the Treasury before you meet Mr Baker.

JLN

10/9

D cc Blyp

Prime Minister 2

PRIME MINISTER

You could mention this
to Mr Baker when you next
see him (perhaps a week
The London Oratory School or so).

5 September 1986

The London Oratory School

Don't
say

Yes not

No war is more fierce than a Holy one!

I enclose a very interesting memorandum and letter which I have just received from John McIntosh. Despite the obvious weight of his argument and the overwhelming support of parents he is clearly troubled by the possible outcome.

I think it would be worthwhile alerting the Secretary of State that you are familiar with the case and recommending that when the Diocese finally throws down the gauntlet he should be prepared to pick it up immediately.

BG

BRIAN GRIFFITHS

THE LONDON ORATORY SCHOOL

SEAGRAVE ROAD, LONDON SW6 1RX TELEPHONE: 01-385 0102

FROM THE HEADMASTER: JOHN McINTOSH, MA

Thursday, 4th September 1986

Professor Brian Griffiths,
10 Downing Street.

Dear Brian,

I am very grateful to you for taking an interest in our present difficulty.

Because the Fathers of the Oratory, our trustees, and the governors have refused to cooperate with the Diocese, the Cardinal referred the matter to Rome. In June the Apostolic Pro-Nuncio, Archbishop Barbarito, asked to see the Provost and myself to discuss the matter. He was charming and very sympathetic; in fact after an hour he was, off the record, agreeing with us. He took a lot of trouble to explain that neither he nor Rome would get involved and that it was a matter to be sorted out within the framework of the civil law. I enclose a copy of the memorandum which I prepared for him which you might like to read.

I am not a lawyer, but I think we are in a pretty strong position. I do not think the ILEA would dare to try to cease to maintain us, and for the Cardinal to declare that he no longer regards us as a Catholic school would be a scandal which even he would not risk. I only hope I have not got it all wrong!

The Diocese continues to ignore our position and to include us in their proposals. However, when it comes to publishing public notices they will have to face reality. Meanwhile it is all very disturbing for staff, parents and pupils.

I will not trouble you with the volumes of correspondence, but thought you might like to see a letter which I wrote to the Cardinal on 15th July: this should give you an idea of where we stand! He has not replied to this one.

I should be very pleased to come to talk to you and I will telephone to arrange a time.

Sincerely,
John.

THE LONDON ORATORY SCHOOL

SEAGRAVE ROAD, LONDON SW6 1RX TELEPHONE: 01-385 0102

FROM THE HEADMASTER: JOHN McINTOSH, MA

MEMORANDUM TO HIS EXCELLENCY THE APOSTOLIC PRO NUNCIO

CATHOLIC SECONDARY SCHOOLS IN THE CENTRAL PASTORAL
AREA OF THE DIOCESE OF WESTMINSTER

In 1979, under the chairmanship of Bishop Konstant, the Westminster Diocese began a review of the provision of Catholic secondary school places in the Central Pastoral Area of the Diocese in the light of the declining school population. Last summer the Diocese submitted to the Secretary of State plans which proposed establishing two new schools by amalgamating four existing schools, Cardinal Manning, Sion Manning, St. Edmund's and St. Thomas More, on two sites. The plans were rejected, though the Secretary of State acknowledged the need for rationalisation and said that he would consider as a matter of urgency any further plans put forward by the Diocese and the ILEA.

During the discussions which took place between 1979 and 1985, the trustees and governors were invited to cooperate in a number of proposed schemes which involved either reducing the intake to the school or amalgamating with another school. None of the proposals involved the creation of a sixth form college or removing sixth forms from schools. The trustees and governors decided to reject these proposals, mainly on the grounds that any reduction in the intake would have seriously undermined the viability of the sixth form courses and that there was, and still is, strong parental demand and support for the school. In the event the school was unaffected by the proposals submitted to the Secretary of State.

In 1985 Bishop Konstant was translated to Leeds and the Diocesan Education Service was reorganised by the Cardinal acting on recommendations made by the Grubb Institute in a report which he had commissioned. Mrs. Kathleen O'Gorman was appointed Director of the new service.

In December 1985 the Diocese published a consultative paper with a view to submitting new proposals to the Secretary of State during 1986. The paper proposed five possible solutions for achieving a reduction from 34 to 24 forms of entry. Only one of these solutions did not affect The London Oratory School. Two solutions proposed the setting up of a sixth form college and removing the sixth form from all schools, including the Oratory. Very early on it became clear that the Cardinal and Mrs. O'Gorman strongly favoured a sixth form college solution.

The trustees and governors met separately to discuss the consultative paper and in January and February respectively they wrote to inform the Diocese that they had decided that the school should continue as a six form entry (180) boys' school, admitting girls to the sixth form. In spite of this, the Diocese continued to include the school in the various discussion papers which it published, overlooking the fact that the school is not in the trusteeship of the Diocese. Because of this the governors decided to publish a statement in the Catholic press making the school's position in the matter clear. This was published on 30th May, six days before the publication of the Diocese's latest paper, which proposes the establishment of a sixth form college, the closure of two schools and that all other schools in the area, including the Oratory, should become 11-16 schools.

The London Oratory School is in the trusteeship of the Fathers of the Oratory who founded the school 123 years ago. They appoint the majority of the governors. The school receives no financial help from the Diocese and the Diocese does not appoint any of the governors. In 1970 the school moved to new premises in West Brompton and at the request of the Diocese became an all-ability (comprehensive) school. It is perhaps interesting to note that when the governors agreed to become an all-ability school it was on the understanding that all of the Diocesan schools would be reorganised at the same time; in fact the Diocese did not keep this undertaking and retained selective schools until 1976 when it was forced by Act of Parliament to change.

The London Oratory School admits 180 boys to the first form annually and about 40 girls to the sixth form. There are 1180 pupils altogether, 280 of these in the sixth form. The sixth form is the largest Catholic sixth form in the Diocese and the third largest sixth form in London. It is the only Catholic sixth form in the Central Area which is self-sufficient, the others depending on membership of a consortium of six schools, an arrangement which was set up four years ago and which, it is generally agreed, has failed. The school offers 24 A level courses and 30 non-A level courses. It was the most heavily subscribed school in the Central Pastoral Area last year and draws pupils from all over the ILEA area, the outer London Boroughs and contiguous counties. Many of the pupils travel from areas with the 11-16 and sixth form college system because their parents want them in an 11-18 school. There is very strong, almost unanimous I suspect, support by parents and pupils for the decision to remain an 11-18 school.

Under the civil law relating to education it is not within the competence of the Diocese to change the character of the school. The character of the school could be changed by (i) the governors publishing public notices, which would be subject to the approval of the Secretary of State, who may reject them, approve them or, after consultation, approve them with modification; or (ii) ~~the~~ the local education authority (ILEA) publishing a cease to maintain order, and the trustees simultaneously publishing a notice of their intention to establish a new school, both of which, again, would be subject to the approval of the Secretary of State. In my view it is highly unlikely that the Secretary of State would give his approval to such proposals. There is no means by which the Diocese itself can bring about a change. The 1944 Education Act, which established voluntary aided schools and secured public funding for them, was drawn up with the agreement of the Catholic hierarchy. My understanding of the new Code of Canon Law is that the canons which relate to Catholic schools are concerned with faith and morals, not organisation and management. In my view any attempt to use canon law or ecclesiastical authority to derogate from English civil law would meet with strong opposition and be very damaging to the relationships between the Church and State in the Country.

The Diocese's latest paper predicts that the proposed sixth form college would have 820 students if The London Oratory School were included. If our 280 are deducted from this they would be left with 540 students, nearly twice the number of which we manage to run a very successful sixth form. The existence of two distinct systems would, of course, provide parents and pupils wider choice.

The school is held in very high esteem by the ILEA inspectors, whose recent reports comment on the high standards achieved, quality of teaching, dedication of staff, good relationships between staff and pupils, care and concern of the staff in pastoral matters and the generally pleasant and well-disciplined atmosphere.

There is no doubt that in choosing the school the quality of the sixth form and its importance to the school as a whole is a very important consideration for parents.

The London Oratory School has a large, mixed successful and self-sufficient sixth form of over 270 pupils, offering a wide range of courses to boys and girls of all abilities. Pupils can choose from 24 subjects at A level, 30 subjects at other levels and are prepared for universities, medical schools, polytechnics, colleges of higher and further education, drama schools and art colleges.

Such a sixth form enables the school to provide Catholic children with an education which has significant advantages compared with an 11-16 school.

1. Younger pupils benefit from the security of knowing they are to be educated in the same school from the age of eleven to eighteen.

2. The more highly developed skills of the sixth form pupils in music, drama and sport are invaluable for lower school pupils, especially those in the fourth and fifth forms who are often in teams, musical groups and plays with sixth formers. These activities would all be more limited and considerably less demanding for the younger pupils without the contribution of the older pupils.

3. A school without a sixth form provides a very limited environment for maturing boys. A large, mixed sixth form enables the 11-16 year old to belong to a community more representative of the adult world for which he is being prepared.

4. Schools with sixth forms are more likely to attract and keep high calibre teachers because of the wider variety of teaching; without the prospect of some A level teaching, many academically gifted teachers would be deterred from taking posts in an 11-16 school even though they would enjoy teaching the younger pupils.

5. The duties which all our sixth form pupils carry out, supervising the younger pupils and helping at the many school functions, enable them to understand and develop the skills of cooperation, leadership and authority essential for them as a preparation for successful adult life.

6. At the age of 16-18 when pupils are going through a crucial stage in their personal and intellectual development they will be advised and helped by teachers who know and understand them. Although the school is always attracting young, able teachers, turnover in staff is well below average so that most of the sixth form tutors and teachers will have known their pupils for several years.

7. Parents of girls coming to the sixth form of The London Oratory School know that their daughters will continue their education in an orderly yet sympathetic environment in a large mixed sixth form which is part of a stable, disciplined and highly successful school.

If The London Oratory School were to close its sixth form the options open to Catholic parents would be seriously and unnecessarily limited. Parents of eleven year old boys would no longer be able to choose a Catholic non-fee paying school which would give their sons an uninterrupted education up to the age of nineteen. Parents of sixteen year old children, unlike those who educate their children in the private sector where all reputable schools have sixth forms, would be unable to send them to the sixth form of a long-established school with a proven record of stability, good discipline and academic success for pupils of all abilities; they would have no choice since there would be only one Catholic school available.

THE LONDON ORATORY SCHOOL

SEAGRAVE ROAD, LONDON SW6 1RX TELEPHONE: 01-385 0102

FROM THE HEADMASTER: JOHN McINTOSH, MA

Tuesday, 15th July 1986

His Eminence Cardinal George Basil Hume, OSB
Archbishop's House,
Westminster, SW1

Your Eminence,

You should have received a copy of a letter which I wrote to Mrs. O'Gorman recently at the end of which I refer to the booklet 'Your Child's Catholic Secondary Education' and rumours and statements by officers of the Diocese that 'Rome' is going to deal with the matter.

The lack of professionalism and, sad to say, integrity being displayed by the WDES in handling the matter of secondary school reorganisation is surprising. Misleading and dishonest statements and information, biased presentation of information and opinions, the use of innuendo and an unwillingness to substantiate what is being said seem to be the order of the day. It all smacks of a very unpleasant form of authoritarianism which is alien to the way in which we normally work in this country. The idea that come what may the Church should use intimidation and Canon Law to subjugate the Law of the Land is one which would arouse considerable disquiet and anger among both Catholics and non-Catholics in this country. English Catholics do not take kindly to intimidation by their priests.

There are two particular matters which I should like to put to Your Eminence.

First, in the paper 'A Proposal for Catholic Secondary Provision in the Central Area', in the booklet 'Your Child's Catholic Secondary Education' and in statements made by officers, sometimes at public meetings, the WDES has by omission as well as commission misrepresented the position of the school. This is misleading and confusing for parents and others with an interest. At first I attributed much of this to incompetence and genuine ignorance; however, it is now looking more blatant, calculated and malevolent.

Secondly, the matter of Rome's involvement. I assume that this was the reason for the meeting which Father Dilke and I had recently with the Pro-Nuncio. The Pro-Nuncio's assurance that neither Rome nor the Pro-Nuncio would intervene in the matter was unequivocal. However, Mrs. O'Gorman's and Mr. Morgan's view seems to be very different. On the telephone last week Mr. Morgan told me that the matter was still being pursued in Rome and that he was privy to information of which I had no knowledge. I should be loath to suggest that we should take the matter up with the Pro-Nuncio again but clearly the doubt must be resolved.

J

Westminster Diocesan Education Service



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

4 September 1986

David Norgrove Esq
10 Downing Street
LONDON

cc B/G

Prime Minister 2

fascinating. ✓

M

JCS
4/9.

Dear David,

SCHOOLS - THE WAY AHEAD

Thank you for your letter of 1 September, about the Prime Minister's discussion with the Chancellor. I attach the notes on the arrangements in France and Germany which the Chancellor had with him at the meeting. As you will realise, they were prepared in the Treasury without wider consultation.

Yours
Alex

A C S ALLAN

THE FRENCH AND GERMAN SCHOOL SYSTEMSFRANCE

France's education system is extremely centralised. The Ministry of Education has control of finance, curriculum matters, administration, and the awarding of degrees and diplomas. Teachers are civil servants.

2. The Ministry exerts control through 28 regional "Académies" each headed by a "recteur", assisted by a permanent administration, inspectorate, and regional advisory council. Each Académie will cover a number of Départements, in each of which the recteur is represented by an "inspecteur d' académie". These officials not only direct educational services, but have wide powers of inspection (of both teachers and pupils) and delegated powers of financial control.

3. Tuition in the state school system is free, although parents of pupils in some types of school are obliged to pay for text books. Finance comes mainly direct from central government, with smaller contributions from the local "communes" (for pre-primary education), and industry (vocational further education is partly funded by industry through the "taxe d' apprentissage"). About 10 per cent of the government schools budget goes on aid to private schools, normally to pay for teachers' salaries. These private, usually Catholic, institutions (public education is secular in France and RE is not included in the school curriculum) charge low fees and receive state subsidies in return for control over standards and staffing. Roughly 20 per cent of children attend private secondary schools.

4. Teachers are recruited at different levels by competitive examination after

the baccalauréat but before training. After the training course, the teacher becomes a civil servant and undertakes to serve the State for a certain number of years. The number of teaching hours per week depends on the teacher's category, of which there are many.

5. Parental involvement in schools in France is quite high. Although education is compulsory only from the age of 6, in 1982-83 all 4 and 5 year olds, 90 per cent of 3 year olds and 32 per cent of 2 year olds attended pre-primary school. In each primary school there is an elected parents' committee, which together with representatives from the teachers' side forms the school council, chaired by the headmaster. The school council is consulted on school regulations and other matters of mutual interest (eg bus services, canteens etc), but has no say in finance or teacher appraisal.

6. The school councils also have no say in curriculum matters which are in the hands of the Ministry. (For every subject there is a precise national programme which defines aims and contents). But they do have a large say in the streaming of French children which takes place at 15. Between 11 and 15, all children go to "collèges", where pupils are placed in mixed-ability classes with pretty much the same curriculum. Additional supportive teaching is available for slow learners (in extremis, children repeat a year) and opportunities for more thorough study for fast learners. After 4 years at a college pupils move on either to a "lycée" where they prepare for examinations after three years in either the baccalauréat, technical baccalauréat, or "brevet de technicien" (a vocational qualification); or to a "lycée d'enseignement professionnelle" (a sort of technical college). The pass rate in secondary education examinations of all kinds (including technical ones) is about 60 per cent. The decision on the pupil's future course of study is taken by the college school council, in consultation with the parents and careers officer. Decisions

are subject to appeal if the family disagree.

GERMANY

7. Germany is a Federal Republic consisting of 10 states (Länder), plus West Berlin. The Länder vary enormously in size, from the city state of Bremen, with about 700,000 people, to North-Rhine Westphalia with 17 million (or roughly third of the total population). Each Land is further divided into areas, and then districts, either a town or larger rural area. Education in Germany is predominantly the responsibility of the Länder. Each has its own Ministry of Education and Cultural Affairs with control over curriculum, organisation, and teachers. The Federal Government has its main legislative responsibility in the post-compulsory sector, such as inservice vocational training and scientific research. It also develops broad principles and priorities within the Federal Education Plan, which the Länder then interpret within their own constitutions but since the Federal constitution requires the Länder to collaborate, the systems which have developed are broadly uniform. The Standing Conference of Länder Education Ministers acts as the forum for this collaboration.

8. Training, appointments, and promotion of teachers are all in the hands of the Länder. Detailed administration and control is normally exercised at the area level. Assessment is carried out either by an inspector (in primary schools) or by the headmaster, in conjunction with a subject specialist inspector (in secondary schools). The process takes place every few years, and each time a teacher changes job, and the reports are used by the Land as part of the basis for promotion. Practising teachers are required to attend inservice training, to extend their qualifications and keep them up to date. Courses are usually residential, for which teachers are granted paid leave. All teachers

are qualified in at least two specialist subjects, so there is no general concept of "head of department".

9. The Länder also fund the schools, but they do so through the local districts rather than the areas which administer the schools. Grants to the districts cover 100 per cent of teachers' salaries and most of the other current expenditure. The Land also provides up to 50 per cent of capital expenditure. Very little is contributed by the Federal Government at this level. No Land charges fees and most provide free teaching material and transport where necessary. The percentage of pupils in comprehensive schools in each Land varies from 1 per cent to 20 per cent. But even where there is a comprehensive school, a Land must provide one of the three traditional school types (Gymnasium, Realschule and Hauptschule) to ensure full parental choice. Consequently, only 4 per cent of pupils attend private schools.

10. Each school has a school council composed of teachers, parents and (in secondary schools) pupils, and chaired by the headmaster. (There is some variation between Länder, but the essentials are the same.) The council recommends to the school basic principles concerning the application of regulations governing pupil assessment and examinations, and it may also decide the calendar for written tests and homework.

11. All examinations (including the Abitur) and syllabuses are drawn up by the Länder. Grades awarded by teachers can be challenged in law. Curriculum development is done by working parties of Land officials, practising teachers and the Land's inspectorate, and often includes the views of outside interested parties such as parents and employers. Because of the organisation of school education by the Länder, nationwide comparability is an important issue. Work at the national level has focussed on eliminating regional differences in the

Abitur and vocational qualifications; over 90 per cent of the school population gains one or other of these. Pupils who leave school at the end of compulsory full-time education must continue their vocational training up to 18 for 1 or 2 days a week at a Berufsschule. Employers provide the practical training, and the "Länder Governments are responsible for the theoretical side. Trainees sit examinations which it is necessary to pass in order to secure employment at the standard wage.

EDUCATION : General policy : P68





10 DOWNING STREET

Note.

Schools
Summary of paper
attached to Chancellor's
minute of 5 August, possibly
to be handed later to
to K Baker. Pa for the
moment.

DW

2/9.

SCHOOLS

Local authorities have very little of the perceived responsibility for school education, yet enjoy a very large share of the power. Major improvements in education depend on putting right this mismatch.

One option would be substantially to reduce the power of local authorities. The aim would be to give parents more direct power as consumers, while giving the school management more effective power to recruit appropriate staff and manage their local budgets.

For this purpose the school needs to be established as a clearly defined unit for both management and budgeting, with its income directly related to the number of pupils whom parents choose to enrol in it. Each school would be governed by a board elected by parents. Decisions on hiring and firing would rest with the individual school board and head teacher. Fixed term contracts, renewable, would become the norm. The school would be free, within its local budget, to recruit suitable staff for local needs.

At the same time, the Secretary of State would have effective powers to discharge the responsibility which only he can fulfil: to lay down a core syllabus, to specify examination standards, to monitor performance and value for money, to ensure an adequate supply of suitably qualified teachers, and to control national expenditure for education.

These requirements at the local and national level would be reinforced by a system of per capita funding direct to the school. The capitation payments would be fixed at a standard rate per head for the main pupil categories, though some limited additions might be needed.

There might be a need for a tier of administration between schools and the DES but its role should be advisory rather than executive. During the transition it might also be worth considering the creation of small groups of not more than, say, ten schools so as to reduce the number of units with which the higher levels of administration would have to cope.

A condition of state funding would be that the school would accept pupils up to its reasonable capacity. A substantial part of capital spending would probably need to be financed by DES.

Developments of this kind would leave little room for local authority involvement. The counties would then be left essentially with personal social services, police, fire, further education and some roads. If schools and related LEA were removed the local authorities would be relieved of expenditure roughly equal to their receipts from Rate Support Grant. They would thus be able broadly speaking to finance the remaining services entirely from the local revenues and the present specific grants. There would be no need for Rate Support Grant, so it would be much clearer that the local authorities were responsible for the level of the community charge they levied. It should be possible to give the local authorities a much freer hand in running their services, subject only to control of their borrowing.

Such a scheme would have a number of major advantages:

- parents and children would have the chance to exercise real consumer power;
- there would be greater devolution to the school and freedom for head teachers to manage their budgets;

- local government as a whole would bitterly resist the loss of education, but the districts would gain from being left freer to provide the remaining local services with local revenues;

- the Government would be able to carry out its central role while leaving detailed administration where it belongs at the level of the individual school.

DCABJY



10 DOWNING STREET

From the Private Secretary

1 September 1986

SCHOOLS - THE WAY AHEAD

The Prime Minister this afternoon discussed with the Chancellor his minute of 5 August about educational reform.

The Prime Minister said she found the note most interesting. The proposals in it would represent a colossal change, but they would be welcomed by many people. There was clearly a need for substantially more work on the proposals. There could well be a need for a tier of administration between the DES and the schools. This might be necessary both for itself and to reduce opposition to the proposal from people at present employed in LEA administration and inspection of schools. But their role could be advisory and without power. The Prime Minister noted that the abolition of Aggregate Exchequer Grant could help to make a success of the Green Paper proposals for reform of local authority finance.

The Prime Minister looks forward to a discussion with John Anson. She is likely to wish to discuss a number of more detailed points with him, including questions about how proposals for closing and opening schools would be handled and financed and how teachers' pensions would be administered. She is considering further how the proposal might be brought into a more general discussion. In the meanwhile she would be glad to see the notes on arrangements in France and Germany which the Chancellor had with him at the meeting this afternoon.

(DAVID NORGROVE)

Alex Allan, Esq.,
H.M. Treasury.

8RW



PRIME MINISTER

You asked the Secretary of State for Education to have another look at the decision to withdraw approval from architecture courses at Huddersfield and North East London Polytechnics about which Professor Durrands wrote to you in June. Mr. Baker has had another look at this, but he wishes to stand by the original decision. The DES letter is attached.

Content to sign the attached letter to Professor Durrands?

(MARK ADDISON)
26 August 1986

VC

MR NORGROVE

Tim Flesher asked me to set up two meetings to discuss a paper the Chancellor of the Exchequer had been sent by John Anson on the subject of education. Tim wanted two meetings, one for the Chancellor and one for John Anson.

BF |
BF |

The former is on Monday 1 September at 1700 hours and the latter on Tuesday 23 September at 1500. I have given Mr. Anson 45 minutes. Is this sufficient?

CAROLINE RYDER

13 August 1986

1. CR.
2. File

FUE

CAJ.



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 August 1986

(1)
(2) The Prime Minister has seen the Chancellor's minute of 5 August covering a paper on education. She will be grateful to discuss this with the Chancellor in September and she would also find it helpful to have a session with John Anson, as proposed in the Chancellor's minute. Caroline Ryder here will be in touch to arrange a time.

TIMOTHY FLESHER

Alex Allan, Esq.,
H.M. Treasury

(1)

re



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

7 August 1986

Jim Rangesford, N/A

SEX EDUCATION AT SCHOOL

Since Clause 26 of the Education Bill was not reached before the recess, I shall not now have an opportunity until the Autumn to explain in Parliament the Government's policy on sex education. I thought it would therefore be helpful if I were to write to Members to set out the Government's position.

In the Government's view, if children are to be properly equipped to face the realities and responsibilities of the modern world, it is important that they should receive adequate sex education as part of their necessary preparation for adulthood. Many parents are reluctant or even unable to provide this fully at home. It is in the interest of the pupils that schools fill any gaps and complement and develop what parents may provide.

Sex education is, however, a difficult and sensitive aspect of schools' work, about which many people have strong feelings. It is therefore of considerable concern to Members. A few examples of the subject being approached in a less than responsible manner have, quite rightly, given rise to anxiety about practice in this area. The intention of Clause 26 of the Education Bill is precisely to meet these concerns and to ensure that the teaching offered by all schools will be balanced, responsible, and, in the words of the Clause, "..... given in such a manner as to encourage pupils to have due regard to moral considerations and the value of family life". I firmly believe that sex education undertaken in accordance with Clause 26 will give parents no legitimate cause for concern and, on that basis alone, the Government sees no case for parents to be given a right to withdraw their children from provision in this field.

Other reasons reinforce us in that conclusion. Any such right would be wholly inappropriate in the secular curriculum, and would open the door to the fragmentation of school education. Nor could

it be worked in practice. Sex education is often given not as a separate time-tabled subject but as an element of several different parts of the curriculum. It may take place within a planned programme or arise spontaneously following children's questions. Pupils' education would be seriously disrupted, and the schools' task made unmanageable, if pupils had to be withdrawn every time sexual matters were discussed.

Schools are already required by Regulations to publish information about their policies on sex education so that parents can take those policies into account when choosing their children's school; the Education Bill will further increase the scope for parental consideration and discussion of their work in this area. Parent governors who will be more numerous as a result of the Bill can be influential in ensuring that parental views, for example on sex education, are given due weight; and it will, of course, be open to any parent to raise concerns about a school's approach to this subject at the annual parents' meeting provided for in the Bill. The Bill also requires the Secretary of State to make Regulations giving parents the right to obtain certain information about what their children are being taught; this right will prove particularly useful to those parents who are concerned about sex education.

We are acting to ensure that Clause 26 works effectively. The recently published HMI discussion document, "Health Education from 5 to 16", contains valuable guidance on teaching approaches and good practice in sex education. The Department is issuing, for consultation, a draft circular to local education authorities and schools, which emphasises 4 important points. First, schools should consult parents on the teaching approaches and materials to be used, and be prepared to respond to their concerns. Second, they should ensure that pupils are told about the law on sexual behaviour. Third, the risks of promiscuity should be made clear. Fourth, it is not for schools to challenge or undermine the proper role of parents in these matters. A copy of the draft circular is enclosed.

I am confident that these measures provide better safeguards for the good education of all children than a right of withdrawal.

*Governor,
Chris*

CHRIS PATTEN

TO: LOCAL EDUCATION AUTHORITIES AND GOVERNORS OF VOLUNTARY AIDED SECONDARY SCHOOLS

SEX EDUCATION AT SCHOOL

Introduction

1. The White Paper "Better Schools"¹ made clear that "sex education, taught within a moral framework", is an essential element in the schools' task of preparing young people for responsible adulthood. It is an element which calls for exceptionally careful and sensitive treatment. The Secretary of State therefore considers that it should be expressly addressed in the curricular policy formulated by every LEA and in any statement which individual schools prepare about their curricular aims and objectives [in accordance with the provisions of the Education Act 1986]. In addressing this issue, LEAs and schools will find it helpful to take account of the HMI discussion document "Health Education from 5 to 16"² which was recently issued. That document invites comments and the Secretary of State hopes that LEAs and schools will respond to that invitation so that their practical experience can contribute to the development of ideas and good practice in this area of the curriculum.

The Place of Sex Education within the 5-16 Curriculum

2. Sex education in some cases forms a discrete element within the school curriculum; more usually it is subsumed within a broader programme of personal and social education or health education, with particular aspects also being raised in other areas. In the course of a programme of sex education, the physical aspects of sexual behaviour should not be dealt with in isolation

1- "Better Schools". HMSO. Cmnd 9469. March 1985

2- "Health Education from 5 to 16". Curriculum Matters 6. HMSO. 1986.

and should not be artificially distanced from issues of personal relationships and responsibilities, parenthood and family life in general. [The Education Act 1986 provides that sex education in maintained schools shall be offered as far as is practicable "in such a manner as to encourage pupils to have due regard to moral considerations and the value of family life".] Teaching should be appropriate to the maturity of the pupils concerned, which may not always be adequately indicated by chronological age either in the primary or in the secondary phase.

3. It is important that schools should not express to the pupils judgements about their parents' attitudes towards sexual matters nor about the extent to which they are prepared to complement the school's work in this area. The majority of parents may wish to contribute to their children's understanding of the physical and emotional aspects of growing up, but some parents do not feel able to discuss such matters freely with their children. It is not for schools to challenge or seek to undermine family relationships.

4. The importance of personal integrity and the significance of moral values should be emphasised, and pupils should be helped to recognise the physical and emotional risks of sexual promiscuity. The aim of a programme of sex education should be to present the facts in an objective and balanced manner and to enable pupils to understand the values and other factors which influence attitudes and behaviour in our society, to form their own opinions, and to make informed, reasoned and responsible choices both while they are at school and in adulthood. In assisting pupils to appreciate the consequences of sexual behaviour, schools should avoid any implication that responsibility is the prerogative of one sex rather than the other: they should encourage recognition that both sexes share responsibilities in these matters. Schools should also see it as part of their task to ensure that pupils understand those aspects of the law which relate to sexual activity and to certain forms of sexual behaviour. Pupils should understand two things in particular. First, except in certain very restricted circumstances, it is a criminal offence for a man or boy to have sexual intercourse with a girl under 16, irrespective of whether she consents. Second, homosexual acts between males are criminal where committed in public or where one of the parties is under 21.

Matters about which many people have strong and deeply-held views, such as sexually-transmitted diseases (including AIDS), abortion, homosexuality, and the issues raised by contraception, should not be avoided. They feature prominently in the media and are widely discussed outside school. Pupils of all ages are likely to be aware of them and may themselves raise questions about them. Schools need to exercise great care in dealing with such issues. The recent HMI document offers, for discussion and comment, some more specific guidance on how schools might approach these controversial aspects of sex education.

6. How sex education should be handled in the classroom is, first and foremost, a matter for the professional judgement of the staff. They may need support from the authority's advisory service or through in-service training. In general, teachers should rely on their own professional expertise and the support of their professional colleagues. Particular care should be taken in choosing and making use of commercially-produced teaching materials, some of which may reflect assumptions and approaches which are not compatible with the school's own policies. When outside speakers are used, schools need to ensure that their contributions are fully integrated with the relevant teaching programmes.

The School's Policies and Parental Involvement

7. The considerations set out above make it essential for each school to have a policy for sex education and to offer sex education on the basis of clearly formulated objectives, which are pursued in a coordinated manner by all concerned, including class teachers and subject specialists. In drawing up the school's policy, heads should take into account the authority's policy and consult the governing body. Schools should keep parents fully informed about the policy and about their approaches to particularly sensitive issues. Regulations made under Section 8 of the Education Act 1980³ require local education authorities and the governors of aided and special agreement schools to publish information about "the manner and context in which education as

3- Regulation 4 of the Education (School Information) Regulations 1981, SI 1981/630, read with paragraph 4(c) of Schedule 2 to those Regulations.

respects sexual matters is given". This information, which is provided for the purpose of enabling parents to express a preference for a school in relation to their child's admission, is likely to require subsequent amplification for the purpose of informing parents of pupils in the school about the school's policies for, and approaches to, sex education. While parents have no statutory right to cause their children to be withdrawn from sex education provision, schools should be ready to discuss both their policies and their approaches with parents, and to consider sympathetically the anxieties and suggestions of individual parents.

8. Parents should also be given opportunities to see for themselves the teaching materials to be used and to receive explanations of the context in which they are to be used. Governing bodies should be informed of parental views revealed by the school's consultations with parents. Parent governors can play an important part in helping to ensure, for example, that adequate consideration is given to parental views about the handling of controversial issues. [The Education Act 1986 alters the composition of governing bodies of county, controlled and maintained special schools, and provides for the discussion of an annual report from the governing body of every maintained school at an annual parents' meeting. These provisions increase the scope for parental discussion of sex education at their children's school.]

Advice to Pupils under 16

9. It is important to distinguish between on the one hand the school's function of providing information and general guidance about sexual matters on the basis described above and, on the other, counselling and advice to individual pupils. It is particularly important to maintain this distinction in matters relating to sexual behaviour. Good teachers have always exercised pastoral interest in the welfare and well-being of pupils in a manner which is complementary and supportive to the role of parents. But this function does not and should not trespass on the proper exercise of parental rights and responsibilities.

10. The specific question of the provision of advice about contraception to girls under 16 was addressed by the recent House of Lords judgement in the Gillick case⁴. The House of Lords found that, while it should be most unusual for a doctor to provide contraceptive advice and treatment to a child under 16 without parental knowledge or consent, there were circumstances, described in one of the judgements, where he would be justified in doing so. The Secretary of State draws attention to the view expressed in the judgement of Lord Fraser of Tullybelton that ".....in the overwhelming majority of cases the best judges of a child's welfare are his or her parents"⁵. The circumstances in which the Law Lords considered it might be justifiable for a doctor to offer contraceptive advice and treatment to a girl under 16 without the knowledge and consent of her parents do not have a parallel in school education.

11. A teacher approached by a pupil for advice on sexual behaviour should, wherever possible, encourage the pupil to seek advice from his or her parents. Where the circumstances are such as to lead the teacher to believe that the pupil has embarked on, or is contemplating, a course of conduct which is likely to place him or her in moral or physical danger, or in breach of the law, the teacher has a general duty to warn the pupil of the risks involved. Whether the teacher should take the matter further, by informing the headteacher, and whether the headteacher should consider involving the pupil's parents, the specialist support services, or the local education authority, will depend on the particular circumstances involved and the professional judgement of the staff concerned. Where a pupil alleges that he or she has been sexually abused - possibly by a member of the family - the teacher should inform the headteacher who, unless satisfied that the allegation is groundless, should notify the local education authority. The authority should liaise with the social services and other agencies in accordance with established local procedures for handling cases of suspected child abuse, involving the parents as appropriate.

4- Gillick v. West Norfolk and Wisbech Area Health Authority and the Department of Health and Social Security [1986] AC 112.

5 - At page 173

Prime Minister 2A



For discussion with
the Chancellor after the

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

holidays ?

cc B/ep
cc B/G

PRIME MINISTER

N.L.W. ✓
6.8 MB

At one of our bilaterals last month we discussed the education problem, and you asked me if there was a Treasury official with whom you might usefully go over the ground. You may be interested in reading the attached paper, which has been largely written by John Anson, a deputy secretary here, following discussions he has had with me. It has also been seen by John MacGregor and a small number of Treasury officials, including Robin Butler.

I hope you find it helpful. I should be happy to discuss it with you in September. You might also like to have a session with John Anson yourself. In the meantime I would just add this. Our continuing frustrations over education reflect the fact that the existing arrangements are fundamentally and irretrievably flawed. The reform needed is so radical that it is not for this Parliament; but we must not delude ourselves on that account that anything short of this will do. What it does mean is that what we do in the meantime must be compatible with this new approach. And there is the great prize that the way ahead outlined in this paper provides a solution not only to the education problem that concerns us so much, but also to the local government problem (including the local government spending problem) that has come increasingly to plague us.

N.L.

N.L.
5 August 1986

SECRET AND PERSONAL
SCHOOLS - THE WAY AHEAD

One of the Government's priorities is to improve the quality of education. But the public perception is of a decline. The Government is making every effort - and spending a lot more money - but seems to get very little back in return. This paper considers how this position has come about, and what the way out might be.

Policy Objectives

2. The Government's objectives are clear. Annex A reproduces the DES's departmental objectives for schools. These reflect the Government's views that the priorities should be to promote skills and encourage practical and technical training, while maintaining the breadth and balance of education. This should be done through a combination of an improved curriculum, better examinations, greater parental influence and better teacher training and appraisals. But progress towards these objectives has been disappointing.

Resources

3. The problem is not one of lack of resources. DES themselves say that their main aim is "to use more effectively the substantial resources available". They are indeed substantial (Annex B). They compare well with spending in, for example, France and Germany. And spending per pupil has risen by 20 per cent in real terms since 1979-80. The problem is how to make the best use of this money. ILEA spends half as much again per pupil as other comparable authorities, but produces worse education.

Power and responsibility

4. The main difficulty lies with local authorities, and the lack of leverage which the Government has over them. The Government can give local authorities more money, but has no effective means of making sure that it is spent in the way it

wants. There is a mismatch between power and responsibility.

5. The key responsibilities for the provision and quality of education probably should rest and are certainly perceived to rest with central government and with the individual school. It is noteworthy that throughout the teachers' pay dispute parents have blamed both the central government and the teachers (and their unions), but not the local authorities. Central government has responsibility for national standards, for the effect of education spending on public expenditure as a whole, and for the effect of teachers' pay on other pay throughout the economy. And the responsibility for the day-to-day quality of teaching of particular children in a particular school can in practice only rest with the head teacher and the teachers of that school.

6. Conversely, local authorities, who have so little of the perceived responsibility have a very large share of the power. They have a strong influence on the content of the curriculum in their schools. They have complete freedom to negotiate agreements on pay with the unions, which central government is then obliged to accept and is under pressure to finance. They have no concern at all for the Government's public expenditure targets, nor does rate-capping seem to have been very successful in controlling their spending. There is little sign of them taking much notice of the Audit Commission reports on value for money.

Options under the Present System

7. Is there anything that can be done within framework of the present system to alter the mismatch of power and responsibility? DES have made numerous attempts. But the instruments available are of little effect:

- (i) Specific grants are an obvious, but unsatisfactory weapon. They could have only a marginal effect on behaviour unless they were administered with such

detailed monitoring by DES to amount to a major increase in central bureaucracy. More fundamentally, they can encourage local authorities to spend more on things they would otherwise be unwilling to spend money on, but can do nothing to stop the local authorities wasting money elsewhere: so the net result in an increase in spending. There is no practical way to overcome this: quite apart from the political problems, local authorities would be quick to challenge in the courts any attempts by Government to use the withdrawal of grants to impose its own priorities.

(ii) Increased provision for spending on education, and consequent increases in unhypothecated block grant or capital allocations, are even worse. They need not necessarily be spent on education at all. Even if they are, there can be no guarantee they are spent in the way the Government wants.

(iii) A Pay Review Body would not necessarily recommend the mixture of pay and conditions of service the Government sought; nor in any case, would there be any way of ensuring that local authorities implemented the recommended conditions of service, even if it did.

? in case?
Agency?
The conclusion must be that under the present system, with power and responsibility so badly matched, the Government has very little scope for securing the improvements in education it wants.

The Way Forward

8. To find a way forward, power and responsibilities must be better aligned. What is needed is a clear idea of the sort of structure for education which could deliver the Government's objectives. Otherwise all that will be available is yet more piecemeal changes - but increasingly ineffective and expensive

ones. Any steps towards a new structure will inevitably be controversial, since they will involve tackling vested interests. But they will be worthwhile if they can produce the positive improvements the Government is looking for.

Local and national responsibilities

9. First, the local level. The proposals in "Better Schools" for the reform of school governing bodies should give parents more influence than in the past. But what is needed is to give parents more direct power as consumers, while giving the school management more effective power to recruit appropriate staff and manage their local budgets.

10. For this purpose the school needs to be established as a clearly defined unit for both management and budgeting, with its income directly related to the number of pupils whom parents choose to enrol in it. Each school would be governed by a Board which would be elected by parents from among their own number, with a limited power to co-opt, eg local businessmen as "user" interests. Decisions on hiring and firing should rest with the individual school Board and head teacher. Fixed-term contracts, renewable, would become the norm. The school should be free, within its local budget, to recruit suitable staff for local needs.

11. At the same time, the Secretary of State should have effective powers to discharge the responsibilities which only he can fulfil: to lay down a core syllabus, to specify examination standards and to monitor performance and value for money through HM Inspectorate, to ensure an adequate supply of suitably qualified teachers, and to control national expenditure on education.

Funding

12. These requirements at the local and national level would be reinforced by a system of per capita funding direct to the school. Each school would be competing for custom, and its income would depend on its success in doing so. With that income it

would be free to manage its budget to deliver the kind of education which the parents want, subject to the national core requirements specified by the Secretary of State as a condition of the capitation payments.

13. The capitation payments would be fixed primarily at a standard rate per head for the main pupil categories (primary, secondary, etc). Some limited additions might be needed, eg in areas of sparse population or ethnic diversity. Such extras should however be kept to the minimum, since they could only be accommodated at the expense of the general capitation rates. Unit costs at present vary widely between different areas (see Annex B). In order to keep the initial cost of the new system no higher than that of the old, the general capitation rates would have to be set slightly below the current average unit costs, in order to leave room for the extras. A firm line would need to be held on the level of these rates, both initially and thereafter, in order to restrain costs (including pay) and encourage greater efficiency.

14. It may be argued that such a reform would become bogged down in the task of setting up 20,000 local authority schools as separate legal entities able to employ staff, manage property, etc. It is not clear that this is an insuperable objection, but if it is it would be worth considering whether, as a transitional stage, small groups of not more than, say, 10 schools could be set up so as to reduce the number of units with which the Department would initially have to deal, and provide some extra flexibility in local budgeting without impairing local responsibility. If the group contained a secondary school as well as primary schools, this could help to assure greater continuity in parent representation on the Boards.

Teachers' pay

15. Pay and contract conditions would, as now, be of critical importance. The ideal would be to devolve pay bargaining to the

Pro or what - no more

level of the school, with the maximum freedom for the head teacher to set salaries reflecting teachers' appraisal records and their usefulness to the school (eg in specialist subjects). In practice, with national unions seeking to retain their role, it seems probable that some national negotiations would need to continue. If so, they should be limited so far as possible to laying down a basic framework, with schools free to determine how far to reward special skills and responsibility. The Secretary of State would need to have a clear role in any national negotiations, commensurate with his responsibility for funding the system. The application of any centrally agreed contract conditions might also need to be one of the conditions of the capitation payments, although the enforcement of such a condition might be difficult except in extreme cases.

Local contributions

16. The question of local contribution to the costs by the parents would also need to be considered. There will continue to be strong pressure for all parents, wherever they live, to be able to obtain schooling for their children without direct payment. But many parents, if given a free choice, might be willing to make marginal extra payments to improve the quality of the service, as they do at present to purchase equipment, etc. Any parents who wish to do so should be encouraged to give voluntary help through organisations of the "league of friends" variety to either current or capital costs; and any legal barriers to this should be removed.

Open enrolment

17. A condition of state funding would be that the school would accept pupils up to its reasonable capacity. Such a stipulation would however hardly be necessary when each school would have a strong financial incentive to maximise its intake so far as its buildings and equipment would permit. Local interests would be strongly encouraged to play a part in financing capital costs of extensions or new schools, but a substantial part of capital spending would probably need to be financed by DES.

Local government

18. Developments of this kind would leave little room for local authority involvement. The present LEAs would become largely redundant, apart from further education, and some peripheral functions like dealing with truancy and providing school welfare services. This would have a very major impact on the counties, who would be left essentially with personal social service, police, fire, further education, and some roads. One solution would be to transfer the counties' responsibilities for police and fire to the centre, to transfer personal social services and further education to the districts, and to divide county roads between D/TP and the districts, leaving (parish councils apart) a single tier of local government. But an alternative would be to leave the rump county authorities still in being (simply transferring to the school Boards their schools estate and an appropriate slice of their cash balances).

19. Whichever of those two options was followed, there would be a radical change in the shape of local government finance. The present pattern is set out at Annex C. If schools and related LEA administration were removed the local authorities would be relieved of expenditure roughly equal to their receipts from rate support grant. They would thus be able broadly speaking to finance the remaining services entirely from the local revenues and the present specific grants. Any necessary equalisation of needs and resources could be achieved by applying a suitable distribution formula to the yield of non-domestic rates, assuming that this had been pooled under the Green Paper proposals.

20. This would place local government finance on a much sounder footing. As the remaining local services would be financed

predominantly from local revenue without any block grant, it would be much clearer that the local authorities were responsible for the level of the community charge they levied, rather than this being perceived as the result of central government decisions on the rate support grant. Local accountability would therefore be greatly improved, and it should be possible to give the local authorities a much freer hand in running their services (subject only to an overriding control on their borrowing). While the counties and the existing local government establishment (and staffs) would strongly oppose the change, the districts would gain some real advantage from it.

PRESENTATION

21. The massive size of the change must not, of course, be underestimated. In its impact on local government, it would be more far-reaching than GLC/Met abolition, which largely rearranged existing functions. But if nothing is done, the government will be stuck with a system which fails to deliver its objectives in terms of education and value for money, and leaves central government with crucially important responsibilities but insufficient effective instruments to implement them.

22. The change would need to be presented positively, bringing out the key benefits to the main interested parties:

- The parents and children would have the chance to exercise real consumer power, both through the link between funding and enrolments, and through parent participation in the school Boards.
- The teachers may well be concerned at the greater emphasis on individual performance and engagement by contracts, but the government would need to stress the advantages of greater devolution to the school and freedom to manage their budgets. This should appeal in particular to head teachers. The unions would of course be opposed in any event.

- Local government as a whole would bitterly resist the loss of education, but the districts would gain from being left freer to provide the remaining local services with local revenues, with minimum interference by central government; and the increasingly bitter running battle between central and local government could at last be brought to an end.

|| - Finally, the Government would be able to carry out its central role, while leaving detailed administration where it belongs at the level of the individual school.

MINISTERIAL PRIORITIES REVIEW
STATEMENT OF OBJECTIVES (Extract)

Main Aim : To improve standards throughout the education service and to use more effectively the substantial resources available.

(a) Schools

1. The main aim is to implement the policies set out in the White Paper "Better Schools" (Cmnd 9469), in particular to secure greater clarity about the objectives and content of the curriculum so as to promote understanding and skills as well as knowledge, strengthen the practical and technical elements of the curriculum, while maintaining breadth and balance, foster the application of what is learnt to real problems and situations, and stretch pupils of all abilities; to continue to improve, where practicable, provision for children with special educational needs; to reform the examination system and improve assessment, in particular through the introduction of the GCSE and the development of records of achievement (as well as through the planned AS levels); to secure also the implementation of further targets for the removal of school places; after the enactment of the Education Bill now before Parliament, to implement the reform of school governing bodies to give parents more responsibility and influence and to enhance the powers of governing bodies; and to ensure as far as possible that general lessons from HMI Reports are acted upon by LEAs and schools.

(b) Teachers

2. The main objectives are to provide for a sufficient number of teachers suitably trained to meet demands arising from agreed policies for the curriculum while securing a continuing reduction in the overall size of the teacher

force as school rolls fall; to tackle, in particular, the problem of shortages of teachers in certain subjects; to promote the deployment of teachers so as to match the requirements as the pattern of schools changes; and to improve the quality of teaching through more rigorous teacher training (including in-service training), through the appraisal of teacher performance, through more effective selection of teachers, through the reform of the teachers' pay structure and conditions of service; and through exploiting relevant surveys and reports, in particular from the APU. A further objective is to develop more purposeful in-service training for teachers on the basis of a new system of specific grants, subject to the enactment of the Education Bill.

SOME SCHOOLS STATISTICS

	£m 1986-87 provision	Real Change since 1980 %
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B1 Public expenditure (main items)

DES -

Schools (England)	8628	-8.3
of which, paybill	5007	+2.6
Administration (LAs and DES; England: all education) of which, 80% pay	550	

MSC -

Youth training including schools (GB)	1082	+260
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B2. School rolls (England)

Primary school numbers fell by 24% in 1975-85; will rise slowly to 1995, then fall again;

Secondary school numbers are falling by 28% in 1979-91, will then rise slowly to 2000.

B.3 Unit costs in schools (England)

Current and capital spending per pupil rose by 14% in real terms between 1979-80 and 1985-86. The standard measure of unit costs per pupil (omitting capital, school transport, meals and milk rose by 20% in real terms.

Unit costs vary considerably more than different needs could justify. Thus (1984-85, England)

	<u>Primary</u>	<u>Secondary</u>
England	£ 765	£1090
Outer London	£ 865	£1250
ILEA	£1270	£1945
Met district	£ 765	£1080
Shire counties	£ 710	£1020

There are also significant variations around the averages in these categories. For example, primary costs in West Sussex are £660

(shire county average £710) and in Haringey £1155 (outer London average £865). Secondary unit costs in Dorset are £960 (shire county average £1020) and again in Haringey are £1615 (outer London average £1250).

B4. International comparisons of unit costs

The figures below show expenditure per pupil in schools and non-advanced further education. They show spending in the UK broadly the same as in France and some 85 per cent of that in Germany, although the German figures over-estimate actual unit costs (see note (2) below).

Country	Year of data	<u>£ 1983 values</u>
		Unit cost
UK	1983	1030 ⁽¹⁾
France	1980	1020
Germany	1982	1210 ⁽²⁾

Source: UNESCO, converted to 1983 values using OECD purchasing power parity factors.

Notes: (1) Based on FTE pupil/student numbers. Excludes private sector schools and colleges.

(2) Excludes 1.8m students in part-time vocational education, although expenditure on these students is included in total expenditure.

LOCAL AUTHORITY CURRENT EXPENDITURE (1986-87) - ENGLAND

£ billion

<u>Income</u>		<u>Expenditure</u>	
Rate Support Grant	9.0	Education*	11.5
Specific grants	2.8	School Meals	0.4
Aggregate Exchequer Grant	11.8	Libraries	0.4
Non-domestic rates	8.4	Personal Social Services	2.7
Domestic rates	6.4	Police	2.9
Use of balances	0.2	Fire	0.7
		Magistrates' courts and probation	0.4
		Transport	1.9
		Local Environmental Services	2.7
		Other	0.6
		Total Current	<u>24.2</u>
		Loan charges etc	2.6
Total income	<u>26.8</u>	Total Expenditure	<u>26.8</u>

* of which schools and related administration is estimated at 9.6.



10 DOWNING STREET

PM 4

DAS
31/7.

An interesting speech from
Peter Dawson, member of
PAT which shows there
were at least two
sides in Coventry.

By
2

31/7

the

EXPIRES UNTIL
ON THURSDAY 31 JULY

Professional Association of Teachers

99 Friar Gate, Derby DE1 1EZ Tel: 372337

PRESS RELEASE

General Secretary's speech to the Annual Conference of the Association at Owen's Park Conference Centre, University of Manchester, on Thursday 31 July 1986 at twelve noon.

Doug McAvoy of the NUT made a perceptive statement in the small hours of Tuesday morning: "Being sent to Coventry", he said, "has taken on a new meaning".

You can say that again. As you will doubtless be aware, the reason I was missing from our AGM and from the beginning of this Conference was the ACAS talks which ran for four days and nights in a Coventry hotel. In the small hours of Tuesday morning, as we gathered for the final session at which the agreement was signed, Sir John Wood, who had used a fine combination of diplomacy and aggression to keep us together, said: "I was going to apologise to those I've offended, but it's easier to apologise to the couple of you I haven't".

I rang home to my wife for a bit of encouragement and cheer, but I didn't get it. "Hullo", she said, "I saw you on television". There was a pause and I waited to hear what a fine presence I had put across on the screen. "Do you realise", she said, "that you're going bald?"

If you wonder why the Coventry proceedings took so long, the answer is that, half way through, we had to stop and start all over again. To understand why, you need to appreciate that the proceedings were not just about teachers' pay and issues bearing upon teachers' pay.

For some of those involved in the ACAS proceedings, the aim is not so much to settle teachers' pay as to settle Thatcher's hash. Their intention is to agree a package of a kind they know the government will not fund, and thereby create a situation in which further unrest in education can be blamed on the government. That particular scenario turns the proceedings into an exercise that is not about what is going to happen to teachers but about what is going to be the outcome of the next General Election.

This dimension of the proceedings brought them down to the level of complete farce at one stage on Friday afternoon, when the employers' leader floated an offer amounting to something approaching $4\frac{1}{2}$ billion pounds exclusive of the costs of all the new conditions of service that are to be introduced. Unfortunately, the employers' leader had gone right over the top in his enthusiasm to sort the government out and had failed to take the elementary precaution of getting the permission of his own side to utter such figures. He was forced to withdraw them and Sir John Wood, who was refereeing the proceedings, declared that matters had got out of hand and we would best start again. The teachers' side asked for a further meeting with the employers' leader but he had adopted a strategy of great cunning. He had gone to bed. Mind you, perhaps it wasn't so surprising, seeing that it was one o'clock in the morning.

I describe this particular act of the drama to you to illustrate one very important point. As you will be aware, we did manage to start again, and get an agreement signed that will cost out at around 3 billion pounds. But note, if you will, that the employers have signed the agreement knowing they can't pay for it. What they have done is promise teachers a big pay/rise, but on condition that somebody else finds the money.

Taking the new structure proposals simply in terms of the 1986/87 situation, and looking no further than that, you will receive from 1 January 1987 a pay rise of 6% or more on top of the 5.5% already awarded for 1986/87. We always said that referral of the dispute to ACAS could bring teachers a percentage rise running into double figures in 1986/87, and we have been proved right.

But the money isn't there yet. Without government resources, the agreement will collapse like a house of cards. Unless the further negotiations that have to take place between now and the end of 1986 are successful and acceptable to the government, the Coventry proceedings will have been a waste of time except, of course, for those who merely wish to use teachers as pawns in the General Election game.

You will have seen that the Professional Association of Teachers has entered a reservation at the end of the agreement. That's because there is a clause in the agreement which really shouldn't be there. The document is supposed to be about teachers' pay and conditions, but at the end it moves into making a political statement about saying that implementation is dependent upon the government providing the money. Our reservation simply observes that implementation depends upon a great many things other than government money, which everyone knows to be true.

We are not prepared to be used as pawns in a political power game; we want good salaries and conditions of service for teachers; as to which political party ought to come out on top at the next General Election, we leave that for teachers to decide for themselves as individuals when the time comes for them to put a cross on a piece of paper. Let me say this to those of all persuasions who would use the teaching profession for party political purposes: 'We will not be used'.

What we have to do now is carry forward this new agreement and turn it into one that attracts government funding. There is plenty of scope for that to be done. At the moment, there is not much more in some of its sections than an agreement to come to an agreement. For example, hear this:

Over the next 4 months, the unions and employers will determine new negotiating machinery covering all nationally negotiable issues between employers and unions.

Great. That's the best news since we were given a Burnham seat. It reflects a tremendously important development that has taken place in the last few weeks, namely a movement by the largest union from a position of opposition to a new negotiating body to a position of acceptance.

If the ACAS proceedings lead to a new negotiating machinery by the end of this calendar year, that will be even more important than the new pay structure. Why? Because it's no good teachers having a significant pay award now if there is no proper means of conducting negotiations in the future to safeguard that award. The question of how to handle pay and conditions negotiations from now on is far more critical for the future of the profession than the question of what percentage pay rise teachers should get at the present time.

There are a variety of ways in which a new approach to negotiating might be hurried along. Let me draw the world's attention to two of the main roads open to us.

Firstly, it would be possible to bring pay and conditions together by using the Burnham Committee for both. I have here a legal opinion which has something important to say about whether Burnham really is restricted, as some suggest, to dealing only with pay.

This opinion draws attention to that statement in the Remuneration of Teachers Act which makes Burnham responsible for—and I quote — "scales and other provisions required for determining the relevant remuneration of teachers". Now listen to what our QC has to say about that:

"Other provisions" is a wide phrase which may clearly cover many things. In our view it is clearly wide enough to cover the laying down of the conditions upon which the payment is dependent, including conditions of service with which teachers must comply if they are to be paid at the Burnham rates.

Whatever its pre-statutory history, Burnham is now a body whose functions, duties and powers are defined by the Act. The fact that Burnham may in the past by implication have consented to teachers being remunerated on the basis of the conditions of service separately negotiated in CLEA/ST or its predecessor bodies, cannot in any way affect the power of Burnham under the Act to consider conditions.

In any event we believe that the history of Burnham itself does not substantiate the widely held view that Burnham does not and cannot consider conditions of service. As the Act implies, the committee should not be and never has been content to designate a global sum for teachers' pay. Teachers have been paid differently according to their qualifications, the age of the children they teach, the responsibilities they undertake.

So, bringing negotiation of pay and conditions together does not have to wait upon the creation of a new negotiating machinery. The right and duty of Burnham to deal with both already exists in statute.

When I read from this document at the ACAS plenary session on 9 July, Fred Jarvis said, in an attempt to be dismissive: "There are legal opinions and legal opinions." That's rather like someone who has been hit by a truck telling other people they want to be more careful crossing the road. Let me remind you that the NUT lost in the High Court against PAT; they lost in the High Court and the Court of Appeal when they tried to get into the

ACAS talks through the law; they lost in their action over cover. As Lady Bracknell might have said: "To lose one case might be excusable; to lose two might be understandable; to lose three is downright carelessness." Perhaps the NUT gets its legal advice from the lost property department at Victoria Station.

Just in case anyone is in any doubt about this legal opinion, let me say that it was drawn up by the man who handled our High Court case against the NUT and the Burnham Committee so brilliantly. What's more, since writing this opinion, he has been made a High Court judge. There's no doubt that being associated with our organization brings great rewards and benefits.

A second way to hurry along new negotiating arrangements would be for the government to legislate on the issue. That it should do, and thereby remove one massive task facing those who have been party to this week's ACAS agreement.

What the government should do is establish a single statutory body for negotiating the pay and conditions of service of teachers. If it doesn't, we could still be waiting for an agreed solution to the question in the ACAS talks at this time next year, with disastrous implications. Look, the truth is there is not going to be an agreement on this issue between the unions and their employers. Indeed, there is not even going to be an agreement between the unions. The fact that, at last, everybody has said they will go for a new arrangement doesn't amount to a row of beans. The differences between the organizations are unbridgeable, so the government might as well get on with legislating without delay.

I was hugely encouraged to hear Kenneth Baker say at the Council of Local Education Authorities Conference that he intended to replace Burnham. This Association's message to him is: 'Please get on with it'.

Let me mention one or two other snippets from the CLEA Conference.

Those of you from the other side of Offa's Dyke will be delighted to know that our good friend Arthur Harries from Dyfed, who is Vice-Chairman of CLEA at the moment, made a fairly lengthy statement in Welsh while presiding over one session. He had threatened to do this a couple of times if people didn't

behave, and it worked like a charm. Indeed, although most of the people there had no Welsh, what Arthur had to say was certainly no less intelligible than some of the speeches made in English.

There was a large marquee housing an exhibition of educational equipment, but I thought for a moment it must be one of those tents you see at fairgrounds with an old gipsy inside who looks into the future for you.

There was a notice which said: 'Stop press. Four term registers available now.' Some publisher is certainly taking a bit of a chance.

Several speakers took a chance with the arguments they presented attacking the government for the run-down state of school premises. We were told of a school in Devon that hadn't been decorated for 35 years. I was so astonished to hear this that I actually went up to the Chairman of the Devon Education Committee and asked her to confirm it, which she did with great insistence and no little passion. Other equally alarming stories followed, each speaker seeming more eager than the last to tell some awful tale of past neglect. In the end, it wouldn't have surprised me to hear of a school that had last had a paint brush laid on it by Ethelred the Unready.

Now this was all very heartbreaking, but I am led to ask a question, which is this. Does anyone really believe that it can be put down to this particular government that a school hasn't been decorated since 1951? The Thatcher administration shares the responsibility, but so does every administration at least as far back as those of Harold Macmillan and Alec Douglas-Home and Harold Wilson in the sixties.

But even that does not complete the catalogue of responsibility. Any local authority that has left a school undecorated for 35 years really cannot be allowed to point the finger at central government and say: "'It's all your fault.'" What the state of that school testifies to - and the state of many of

our schools at this time - is decades of poor provision and ^{mis}management of resources, and the failure of all kinds of people to do anything about it.

I say this to our Members of Parliament of all parties; to local authorities up and down the land; to every taxpayer and ratepayer whose readiness or reluctance to pay up determines what the state may provide; to every consumer whose pattern of spending determines which goods and services are produced; to all who share in the responsibility for the style and quality of life in our society; I say this to you - "Ask not at whom the finger is pointed for the state of our maintained schools; it is pointed at you."

Earlier this month, there was a piece in John Izbicki's 'Desk Diary' column in the 'Daily Telegraph' about my spending my time with down-and-outs and people who have problems of one kind or another. I thought at first he was writing about my going on to the golf course from time to time with Geoff Gospel. Actually, he was referring to how I spend my spare time assisting at the Methodist Mission in Derby. But his words had rather more significance than he realised.

We do have at the mission our share of people who fit the traditional image of the down-and-out, but we also have a fair number of what might be called the new downs and the unexpected outs. Like the church generally, we have a high proportion of teachers, and you can't get much further down-and-out than that in 1986.

Surveying education at the moment, one has to ask whether it amounts to a *system* any more. We certainly no longer have a system of *state* education.

The existence of a *system* of anything calls for organization; for some generally observable structure; for some discernable purpose known and supported by those involved; for some regularity of service; for dependability of delivery. It's questionable whether we have those things in the postal arrangements in this country any more. We certainly don't have them in the arrangements for the schooling of children in the public sector.

Yes, I know that one of the glories of our maintained schools has always been their diversity, and I'm not arguing for some centrally determined and directed system. Nor is the new Secretary of State. I was delighted to hear him assert **in a speech recently:** "I am not a centralist". Amen to that.

But, but, but ... the presumption of the 1944 Education Act, and every important piece of education legislation since, is that there shall be a state *system* of education, not just occasional activity of some kind or another that happens in places called schools when everybody **is sufficiently satisfied with the state of things to get on with the education process.**

We cannot allow a situation to continue where children are only to be educated if all the parties involved in providing the service are in accord. The government must provide adequate resources regardless of whether or not it approves of the use to which they will be put by democratically elected local authorities; the local authorities must allow the professionals working in schools to make decisions about teaching arrangements regardless of whether or not they coincide with councillors' political views; teachers must carry on putting children first even if they do have genuine grievances about not being adequately appreciated in financial terms or held in sufficient public esteem. Unless such principles as these are accepted by *all* the parties involved, there can be no *system* that parents may rely on.

The eighteenth green at Baberton Golf Course outside Edinburgh has a garden gate nearby. On the gate is a notice which says: "Trespassers will be forgiven". The world of education desperately needs a period of healing and forgiveness. We know there are those who prefer conflict to peace. Indeed, there are those who believe it to be the route to better things. Do you remember those words of Harry Lime in 'The Third Man'?

'In Italy for thirty years under the Borgias they had warfare, terror, murder, bloodshed - they produced Michelangelo, Leonardo da Vinci and the Renaissance. In Switzerland they had brotherly love, five hundred years of democracy and peace, and what did they produce ...? The cuckoo clock.'

There are those who believe that man's natural habitat, in which he achieves the most of which he is capable, is one of conflict. But there is another side to the story, and it is spelled out by Jacob Bronowski in his great book 'The Ascent of Man'. He writes this:

"We are all afraid for the future and for our world. It is the nature of human imagination to move forward fearfully. But if we move together, showing concern for one another's needs and not only our own, we make possible the continuing ascent of man."

I leave you with some words from Sally, who is nine. She writes about her school and her teacher, Mrs Richards:

"Our school is not very nice but my teacher is nice. When it rains it rains indoors and it is smelly. Mrs Richards looks after us all the time. She is not always good-tempered though. Sometimes she is not good-tempered when it is something else that has upset her that is not what we have done. But we understand and do not mind too much because she is nice really. She is kind to us, I think, and we all think, because she is kind inside. When I grow up I want to be like Mrs Richards and my gran."

What we want the children in our charge to grow up like decides the example we try to set them, does it not? *Perhaps* it *is* possible to change the direction of our society. Our belief that it can be done is what brings us together. In the words of Francois Rabelais: "We go to seek the great perhaps." *Perhaps* next school year will see the return of peace to education. For now, I wish you all a peaceful summer holiday.



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c 89.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

31 July 1986

Dear Rt,

BETTER SCHOOLS FOR THE INNER CITIES

The Prime Minister has seen your Secretary of State's letter of 30 July to the Chancellor of the Exchequer about the proposed scheme for setting up new secondary schools in the inner cities. She has commented that her intention was that the schools to be located in less deprived areas should be substitutes for some of those originally proposed and not additions to the total. (The Prime Minister suggested at her meeting with your Secretary of State that five or six schools should be in less deprived areas. The total proposed at that stage was between 12 and 20.)

I am sending a copy of this letter to Alex Allan (HM Treasury).

*Yours,
David.*

(DAVID NORGROVE)

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

CONFIDENTIAL



PERSONAL

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

FROM THE SECRETARY OF STATE

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1P 3AG

30 July 1986

In Nigel.

BETTER SCHOOLS FOR THE INNER CITIES

Yesterday morning I discussed with the Prime Minister a scheme described in the enclosed paper for setting up new secondary schools in the inner cities. At the Prime Minister's request I now invite you to consider the paper before I discuss the scheme with other colleagues.

The Prime Minister made two comments on my paper. She would prefer the proposed new schools to be called City Technological Colleges (CTCs); and she suggested that the list of possible locations should go beyond the 15 inner city areas which I had originally proposed. Additional possibilities are listed in the second half of annex B.

Officials here will be writing shortly to initiate discussions with yours during August. Once you have considered the scheme my hope is to put it to colleagues at the beginning of September.

I am sending a copy of this letter to the Prime Minister. *(without the attachments).*

Lawson
Herriott

CONFIDENTIAL

PERSONAL

Subject ce master



hli

bc BS

10 DOWNING STREET

From the Private Secretary

29 July 1986

INNER CITY SCHOOLS INITIATIVE

The Prime Minister this morning discussed with your Secretary of State his minute of 28 July about the proposed inner city schools initiative. Professor Brian Griffiths was also present.

The Prime Minister welcomed the initiative warmly. In discussion it was agreed that it was most important to include the word "technological" or "technical" in the title of the schools, in order to keep pressure for a strong technical element in the curriculum. It would also be worthwhile to place 5 or 6 of them in less deprived areas, in order to provide a "control" for the experiment and to give some of them a better start to show what they could do. The proposal should be launched before the Party Conference, to an education audience.

It was agreed that your Secretary of State would need to clear his lines with the Chief Secretary. A meeting of a small group of colleagues should be held in September to discuss the proposal.

Mr. Baker mentioned to the Prime Minister ideas for changing the status of polytechnics and for giving students a total amount of money to cover both maintenance and tuition (which might be a mixture of loans and grants) which would go with them to the institution they attended. The Prime Minister expressed interest in both these ideas. She also suggested that it might be useful at some stage for her to host a dinner for a group of Vice Chancellors.

Mr. Baker also mentioned that he was considering a proposal under which part of any extra money to be provided for teachers' pay would be paid over as specific grant only when conditions had been satisfied.

The Prime Minister discussed with Mr. Baker his letter to Michael Alison of 17 July about the decision to withdraw approval from the architecture courses at

086

Huddersfield Polytechnic and North East London Polytechnic. Your Secretary of State undertook to look again at this question in the light of the Prime Minister's disquiet about the decision.

(DAVID NORGROVE)

Rob Smith, Esq.,
Department of Education and Science

PRIME MINISTER

MEETING WITH MR. BAKER

You wanted to see Mr. Baker about the Architecture Course at Huddersfield Polytechnic. The papers on this are below. Could I urge that you read Kenneth Baker's letter to Michael Alison? I have amended the draft letter to Professor Durrands to try to make it more literate (immediately after Mr. Baker's letter).

This is also an opportunity for you to talk to Mr. Baker about his proposals for educational reform. A first instalment is set out in his minute below. This discusses his proposal to set up 12 to 20 schools in selected inner city areas.

Mr. Baker's proposal is specific and in many ways quite narrow, though perhaps none the worse for that. A particular point to note is that eight of the 18 possible locations listed in Annex B are included in the inner city initiative, and the other 10 also suggest that the schools in those cities will be located in quite deprived areas. As Mr. Baker explains (paragraph 20) he has done this to try to reduce likely opposition to the proposal. But is it wise to concentrate so exclusively on deprived areas, if that is what he intends? These are the most testing conditions possible in which to run experiments. Should there not also be some areas which are more mixed so that some at least of the schools can get off to an easier start, and show their potential?

Mr. Baker seeks your agreement to proceed with the plans to establish up to 20 city colleges and to sound out potential promoters informally during the Recess with a view to announcing the scheme probably just before the Party Conference. But the proposal has not yet been discussed with a wider group of colleagues and the Chief Secretary would no
/doubt

doubt have views on extra expenditure of £30-35 million a year. I would suggest that Mr. Baker be invited to discuss this in a very low key way with promoters during the next month, but that a meeting should be held with colleagues in September.

You might also ask Mr. Baker whether he has other work in hand. This initiative, though worthwhile, will help only a very small proportion of children. Where for example, does his consideration of the curriculum stand?

Lillian
(Garden Rooms)

p.p. DAVID NORGROVE

28 July 1986

INNER CITY SCHOOLS INITIATIVE

In general, an excellent proposal. But you may ask the following questions.

1. Why should the initiative be limited to the inner cities?

Certainly, have some of the schools in the inner cities; but why not others in the suburbs - including the conversion of existing LEA schools in sympathetic authorities?

2. Why the name "City Colleges"?

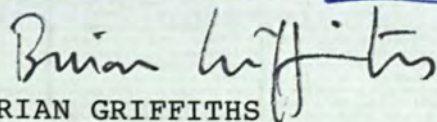
These are schools. My suspicion is that the DES have changed a proposal for Technology Plus Schools to Inner City Colleges to avoid explicitly producing greater variety among schools (hence the name colleges) and have restricted them to the inner cities to avoid giving offence to comprehensive schools in general. They would be much better referred to as Technology Schools.

3. Does the curriculum offer a genuine technological bias?

If you examine the curriculum in detail, it is still very broad.

4. Are the new schools producing applied scientists or technicians and hairdressers?

This is not clear. If the schools are to rival their German counterparts, their objectives should be made much clearer. The key difference between German and British schools is the focus of German schools on achievement: if these new schools are to be a success, it is this which is critical.


BRIAN GRIFFITHS

CONFIDENTIAL
and Personal

PRIME MINISTER

INNER CITY SCHOOLS INITIATIVE

1. At our meeting on 23 June I outlined my proposal for a new type of inner city grant aided secondary school which will offer a good education with a strong technological emphasis. In response to your encouraging reception for my idea I now enclose a paper explaining my proposals for the setting up of these "City Colleges", as we might name them.

2. Aside from the educational attractions of this initiative, which are detailed in the attached paper, there is also a political agenda. The political objectives of creating "city colleges" are: to set up schools not under the control of LEAs; to establish the principle of contracts; to establish per capita funding; to help deal with the problems of inner city youth. *Not restricted to inner city youth*

3. We may be asked "how are these schools different from existing comprehensives?" The answer is: they will be located in the inner cities; they will be alternatives to LEA schools, not replicas; they will accomplish the tasks which LEAs are not fulfilling; they will have a technological bias; they will have better motivated children and better motivated teachers; the Churches will be encouraged to participate; the Governing Body and the Head will be in a different position from that of an LEA school. *Quality - achievement*

4. We would want to establish the success of these colleges by such measurable outputs as: better examination results; less truancy; higher employment rates; more pupils entering further and higher education.

5. If we are to achieve visible progress with this initiative by the time of the next General Election then we should get it underway quickly. I would like to make progress during the recess with a view to presenting this initiative in the Autumn.

K.S.

K.B.

CONFIDENTIAL

Better schools in the Inner Cities

1. Many parents are looking for an alternative to local authority-run schools. The need is greatest in the inner cities. In this paper I propose an initiative to meet this need.

City Colleges

2. I believe that we should urgently set up 12 to 20 schools for 11-18 year olds in selected inner cities which will:

(i) Be subject to a contract with the Secretary of State, under which they undertake to comply with the requirements below in exchange for a per capita grant-aid. They might be called something like "City Colleges".

(ii) Be owned and controlled by trusts set up by individuals, foundations or groups, and managed by an appropriately constituted governing body.

(iii) Provide a good curriculum and a good ethos, with a strong technical emphasis which applies the lessons of the TVEI.

(iv) Cater for the whole range of inner-city pupils.

3. The schools would thus be independent free-of-charge institutions within the state system. They would be funded and staffed at a level which would bear credible comparison with county schools to show what can be done by good teaching and effective management rather than poor direction and a concentration on political irrelevancies.

*How
would the
cost per
pupil
compare.*

What kind of pupils and how many?

4. The principle on which pupils are chosen is critical for the character and success of a school.

5. I propose that:

(i) Each city college's catchment area should be defined so as to allow an intake which reflects the local population, for example in ability range and ethnic mix, while retaining good scope for choice of pupil by the school. The precise arrangements would need to be negotiated individually with each school.

(ii) Pupils will be selected by the Head and the Governing Body on the basis both of their general aptitude, for example as reflected in their primary school record, and on their and their parents' attitudes towards the special character of city colleges, and their commitment to full time education or training post-16. The families most committed to the school's ethos will secure admission for their children; such commitment can be tested by undertakings - for example to attend regularly, to go away to a camp during term or in the holidays, and to honour the school's homework arrangements. The prime consideration would be whether the pupil was likely to benefit from what the school had to offer.

(iii) The churches' involvement as sponsors would be welcome but admission should not be subject to denominational tests.

6. Balanced provision for boys and girls is desirable - and may be necessary to avoid falling foul of the Sex Discrimination Act. Subject to that, single sex schools are an option, especially if they can be paired.

7. A city college catering for the whole ability range and offering a good curriculum needs to have 750 to 1,000 pupils so that classes do not become too small to be stimulating and affordable.

Curriculum

8. City colleges will be required to offer a curriculum in line with our policy for raising standards in the maintained sector:

(i) There will be a strong emphasis on self-discipline and positive attitudes. I favour a longer working day and a longer school year than the minimum required for LEA maintained schools. Outward-bound type activities in and out of term will be compulsory.

(ii) There will be a strong technical and practical element within a broad and balanced curriculum, taught with an emphasis on practical application.

(iii) The curriculum will be applied and taught so that pupils of all abilities are challenged to the limit of their capability.

(iv) City colleges will where possible also be used to test the value and effectiveness of equipping a secondary school with IT hardware and software at the most generous level now found anywhere in the maintained sector.

9. A curriculum compatible with these requirements is at Annex A. It is illustrative only, but shows what can be done for an 11-18 school of 1,000 pupils with a pupil to teacher ratio (15.4:1) in line with current good practice for an inner city school. It provides a standard curriculum, which achieves breadth with a technical emphasis by reducing optional subjects in years 4 and 5 to 10% of the time-table. This will be unusually directive. But it should be no hardship for pupils who have chosen the school for its technical emphasis.

Staff

10. All staff at city colleges will be employed by the governing body. The governing body will be free to determine the pay and conditions of the staff - they would not be constrained by Burnham.

To secure the required curriculum effectively, I propose to require each city college to employ only teachers with "qualified teacher" status and to match their qualifications and experience to their teaching tasks.

Location of city colleges

11. A city college's catchment area will be 2-3 times that of the 8 areas chosen for the Inner City Initiative. I propose that all these areas, suitably enlarged, should be considered for a city college, and that the colleges should also be considered for 10 other areas, mainly those which rank high in the Department of the Environment's index of deprivation, but with a view to a sensible geographic spread. An illustrative list is at Annex B.

Who would promote city colleges?

12. My preference is to go for selected individuals in business with the vision and enthusiasm to help education and the inner cities in this way. I am confident of finding promoters of this kind. But I would not rule out offers from established educational charities such as the churches or City Livery Companies. I am consulting the Haberdashers in confidence about an experimental scheme on grant-aided primary schools on lines agreed with colleagues.

Finance

13. I propose that the grant from the Secretary of State to city colleges should be governed by the following principles:

(i) The grant will meet all items of current expenditure at the college which would fall on a LEA for one of its own county schools. By covering external repairs, it would put the city colleges in a more favourable position than voluntary aided schools. The way we determine the amount of per capita grant will be a sensitive issue. We would be aiming at what a reasonable LEA would spend on a similar school in the locality. The formula will need to be both politically and financially defensible.

(ii) The grant would be augmented to take account of the experiment in a very high level of IT equipment proposed in para 6(3) above.

(iii) Promoters should have sufficient financial substance to meet the initial capital outlay. My aim would be to persuade promoters to meet the full capital cost of the premises and equipment, and preferably also to provide the college with an endowment to permit additional facilities, current or capital. Voluntary contributions from promoters and parents would allow further flexibility.

(iv) If the promoters did not meet the full capital cost, the recurrent grant would be augmented for the amortisation of the shortfall. I do not favour grants, loan subsidies or guarantees towards capital expenditure.

14. Annex C contains order-of-magnitude costings. 20 city colleges of 1,000 pupils might involve grant of some £30-35m a year, subject to the level of the promoters' contribution.

15. The cost of the grant will probably be offset only in part, and with a time-lag, from savings in LEA-maintained schools, because the consequential reduction in pupils in individual schools will tend to be relatively small.

The Secretary of State and the individual city college

16. The Secretary of State and the promoters will be embarking on a venture in which each has obligations to the other and each depends on the other. There will have to be a contract between them covering:

(i) the aims and objectives of the school.

(ii) The Secretary of State's financial commitment, which may have to be variable in the light of circumstances. The promoters may be well placed to drive a hard bargain.

(iii) The governing body's obligations on such things as pupil numbers, admission arrangements, curriculum and teaching approaches, and teacher qualifications and professional up-dating.

(iv) The constitution of the governing body, for example the possibility of governors appointed by the Secretary of State, drawn from the local business community, or elected by parents.

(v) Arrangements for ensuring financial accountability by the governing body, for example for audit.

(vi) Monitoring by the Secretary of State of the school's educational effectiveness, mainly through inspections by HMI.

(vii) The period of the contract - promoters might need a commitment for at least 10 years; and the circumstances in which the contract could be terminated. Termination in the case of an unsuccessful school may prove difficult when each party has invested so much political capital in success. A contract for 10 years should at least secure adequate compensation via the European Court of Human Rights for the promoter if a hostile government overrides it by legislation.

Preparation and build-up

17. New secondary schools are normally built up systematically, starting with the first year group and adding a group a year. But this is expensive: diseconomies of scale, which the grant would have to allow for, disappear only when the school is full. I also do not want to start by denying the city colleges to older pupils, nor wait 5 years for the school's first public examination results. I propose to press promoters to achieve a rapid build-up for as many age groups as practicable.

18. There would be a great advantage if at least one city college could open its doors in September 1987. This is an ambitious

target, and my proposals will require maximum speed and flexibility in negotiation by all parties. I am setting up a small team of Departmental officials to work on it full time. David Young is seconding a Principal from his Department to join the team. I propose to urge promoters to achieve this target if they possibly can, if necessary with only a few pupils in the first term. They will have to move very fast to succeed in finding existing buildings.

Legislation

19. Existing powers enable me to assist independent schools with a grant by means of new regulations, subject to negative resolution. I shall need to establish with promoters how far they would be willing to go ahead on the basis of regulations or require - in this or the next Parliament - the added protection of new primary legislation.

Presentation

20. If our political opponents were to declare themselves totally opposed to the proposal, the prospects of taking it very far in this Parliament would be reduced. Their opposition, and that of the education service, is likely to be less if we present the proposal as an increase in parental choice in those areas where it is most needed, rather than as a criticism of the performance of the LEA-maintained sector.

Manpower

21. Successfully establishing and effectively supervising 20 secondary schools in a climate of political controversy will require a significant staff effort in the first few years. Altogether some 50 extra staff (including HMI) might be required.

Conclusion

22. I seek agreement:

- (i) to proceed with plans to establish up to 20 city colleges

in inner cities on the lines set out in this paper.

(ii) To sound out potential promoters informally during the Recess with a view to announcing the scheme probably just before the Party Conference, and publicly inviting proposals from promoters immediately thereafter.

ILLUSTRATIVE CURRICULUM

The model is of a 6FE 11-18 mixed comprehensive school with 180 pupils in each of years 1-5; 150 pupils in the sixth form, 60 students in each year on full A-level programmes, a 45% staying-on rate; teachers teach for 78% of their time on average; a 40 period a week timetable operates. With 1,050 pupils 67.9 teachers (including the head) on the staff the PTR will be 15.4. Modified arrangements would need to be made for schools serving other age ranges.

1. CURRICULUM

A. Years 1, 2 and 3

<u>Subject</u>	<u>Number of Periods</u>		
	Year 1	Year 2	Year 3
(1) HUMANITIES (ENGLISH, RE, HISTORY, GEOGRAPHY)	10	10	10
MATHEMATICS	5	5	5
SCIENCE (INCLUDING ASPECTS OF TECHNOLOGY)	5	5	6
(2) MODERN LANGUAGE	4	4	4
EXPRESSIVE ARTS (MUSIC, DRAMA)	2	2	2
DESIGN AND ITS REALISATION (ART, CDT, HE)	8	8	9
PE/GAMES	3	3	3
(3) ESSENTIAL MODULES	3	3	1

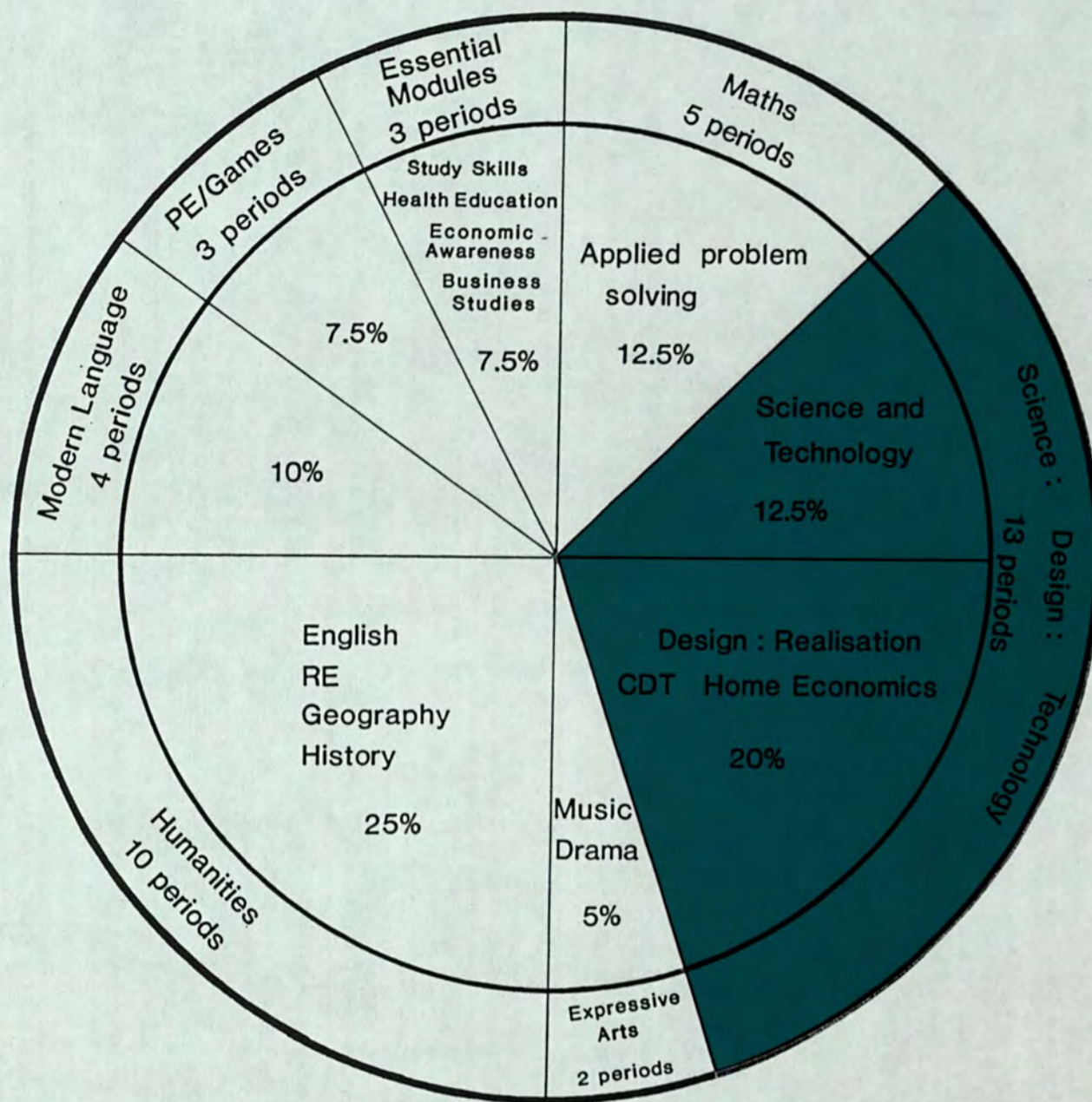
(1) Humanities will be taught by specialists in RE, English, Geography and History.

(2) A choice of languages will be available.

(3) The first module for all pupils will be an introduction to IT. Other modules will be in Study Skills, Health Education, and other elements of Personal and Social Education, Economic awareness, Some Business Studies.

(4) There will be 6 teaching groups in PE and Essential Modules, 9 in Design and its Realisation, and 7 in all other subjects.

SECONDARY CURRICULUM EMPLOYING SCIENCE AND TECHNOLOGY, BASED ON A 40 PERIOD TIMETABLE WEEK.

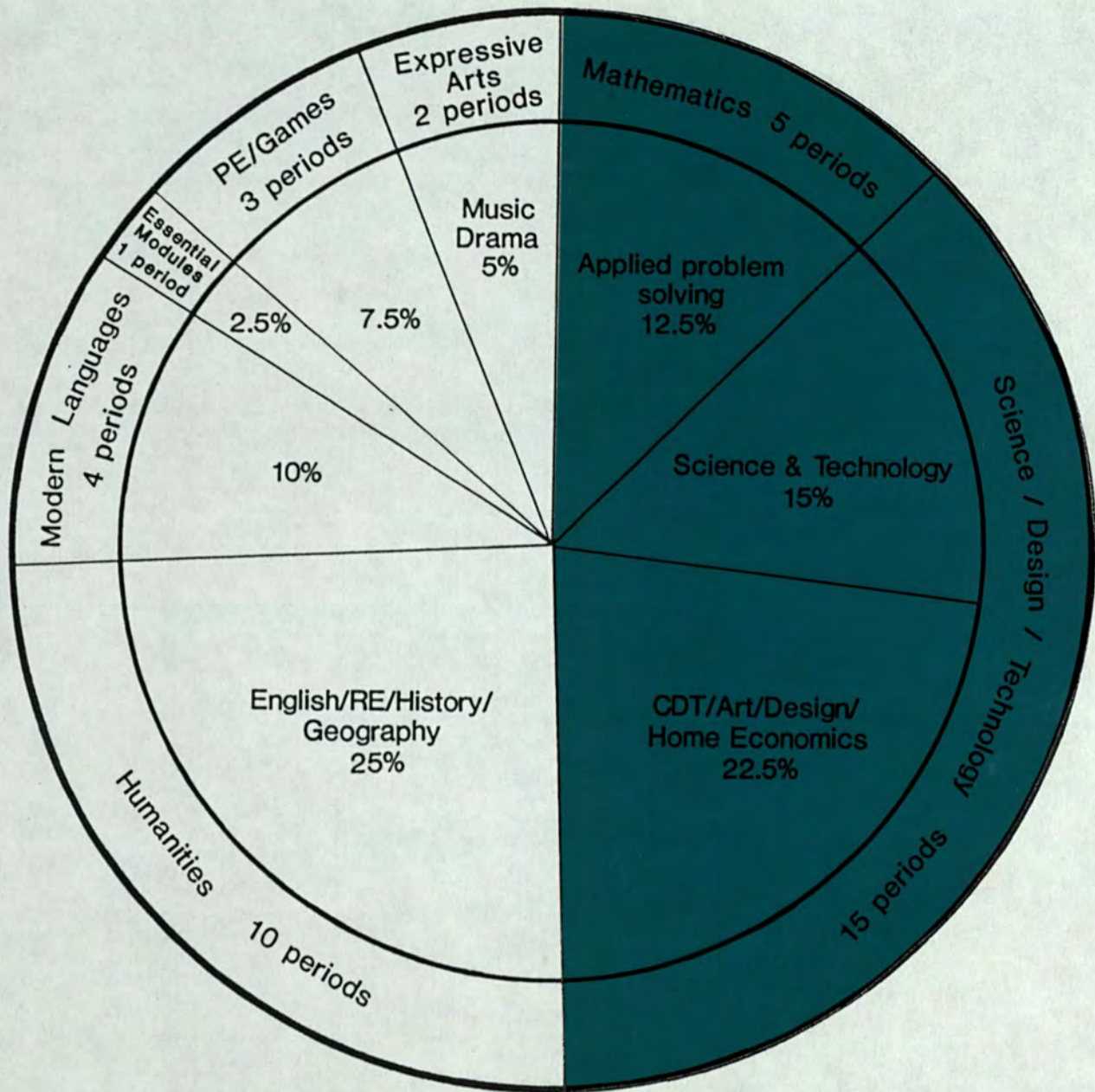


Years 1 and 2

40 period week

- (i) Together Maths, Science, Design, Realisation, CDT take up 18 periods (45%)
- (ii) Humanities consisting of English, RE, History & Geography take up 10 periods (25%)
- (iii) Modern language - 4 periods (10%)
- (iv) Expressive art consisting of music, drama, take up, including electronic music, 2 periods (5%)
- (v) PE/Games - 3 periods (7.5%)
- (vi) Essential Modules - 3 periods (7.5%)

SECONDARY CURRICULUM EMPLOYING SCIENCE AND TECHNOLOGY, BASED ON A 40 PERIOD TIMETABLE WEEK.



Year 3

Much the same curriculum as in Year 1 except that:

- (i) Maths, Science, Technology, Design now takes up 20 periods
- 50%
- (ii) Essential Modules have now reduced from 3 to 1 period
ie 2.5%

B. Years 4 and 5

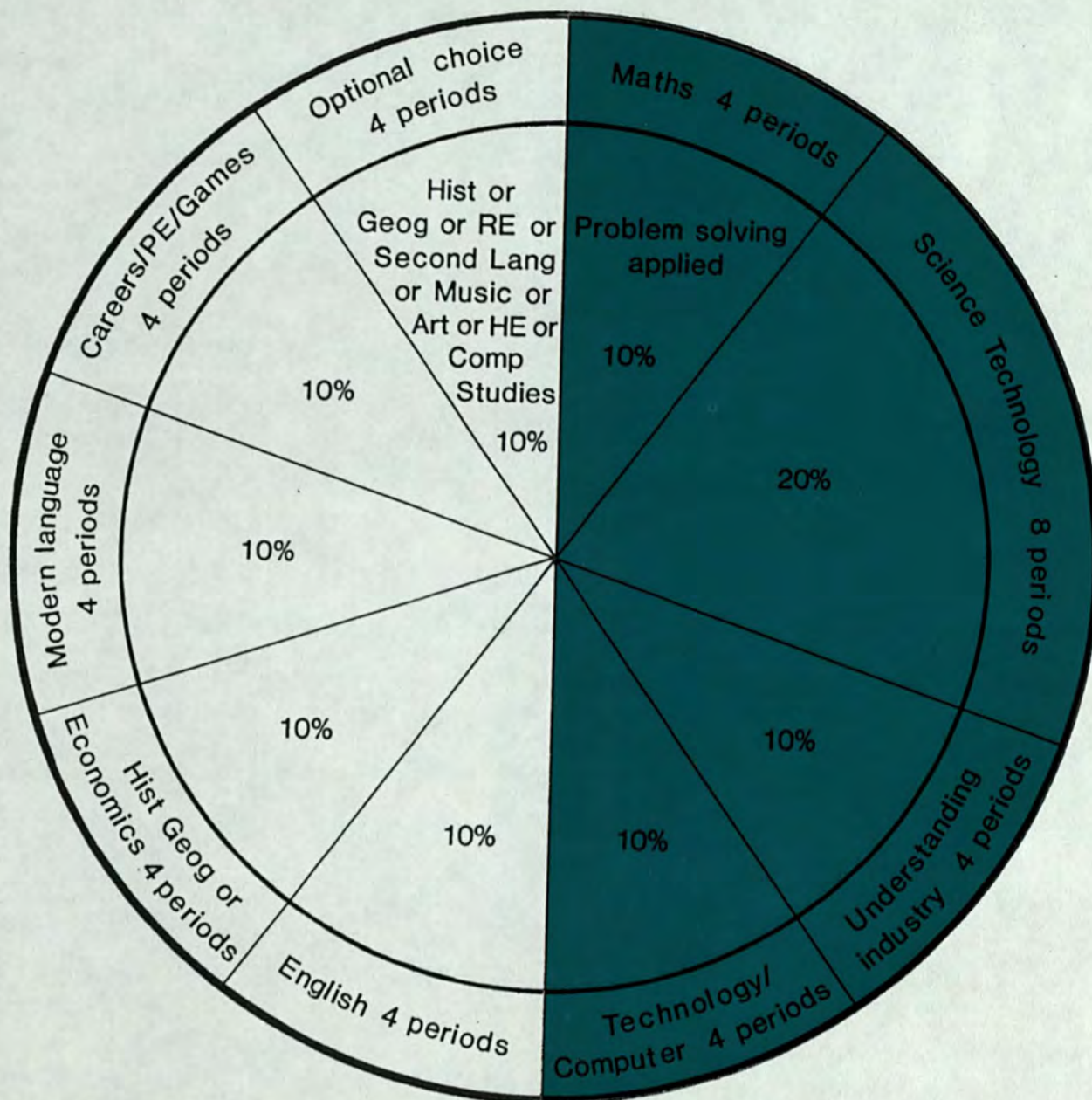
<u>Subject</u>	<u>Number of periods</u>
ENGLISH	4
MATHEMATICS	4
DOUBLE SCIENCE	8
MODERN LANGUAGE	4
UNDERSTANDING INDUSTRIAL SOCIETY	4
TECHNOLOGY ⁽ⁱ⁾ OR COMPUTER STUDIES	4
HISTORY OR GEOGRAPHY OR ECONOMICS	4
(ii) OPTIONAL CHOICE	4
PE/RE/CAREERS EDUCATION AND GUIDANCE	4

(i) The contents of this course will include microtechnology, or craft, design, technology.

(ii) Choice of HISTORY, GEOGRAPHY, RE, SECOND MODERN LANGUAGE, MUSIC, ART, HOME ECONOMICS, COMPUTER STUDIES.

(iii) There will be 10 teaching groups for optional subjects, 9 for Technology/Computer Studies, 8 for Science and Modern Languages, and 7 for all other subjects. Work experience will take place late in year 4, to avoid disruption to teaching programmes.

SECONDARY CURRICULUM EMPLOYING SCIENCE AND TECHNOLOGY, BASED ON A 40 PERIOD TIMETABLE WEEK.



Years 4 and 5

1. This is a very directed curriculum with little optional choice (10%) available.
2. Maths, Science, Technology account for 50% with the addition of extra computing for some pupils via the Hist, geog, computing choice (10%)
And the choice of computing in the optional slot (10%)
3. For individual pupils a reasonably broad curriculum would ensue but with a pronounced emphasis on the scientific and technological.
4. Within all courses there would be an emphasis upon practical, applied problem-solving work.

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

C. Year 6 and 7

<u>Subject</u>	<u>Number of Periods</u>	
<u>A-levels</u>		
ENGLISH	8 periods available for teaching in each year	
MATHEMATICS		
FURTHER MATHEMATICS		
PHYSICS		
CHEMISTRY		
BIOLOGY		
GEOGRAPHY		
HISTORY		
COMPUTER SCIENCE		
ECONOMICS		
TECHNOLOGY		
FIRST MODERN LANGUAGE		
ART		8 periods per week available for teaching years 6 and 7 together
SECOND MODERN LANGUAGE		
HOME ECONOMICS		
<u>AS Levels</u>		
5 Subjects (bias towards keeping up technology)	4 periods a week available for teaching in years 6 and 7	
<u>CPVE</u> 2 courses with a	Each taught for 40 periods a week	
BUSINESS STUDIES RSA & AS level course	40 periods a week course	
GENERAL STUDIES a week	8 teaching groups taught for 3 periods	
RECREATION	8 teaching groups for 2 periods a week	
CAREERS/GUIDANCE	8 periods allocated to this work	

Some students will move to vocational courses in local FE colleges.

2. STAFFING

There will need to be about 52 front line specialists on the staff of 66.9 teachers.

<u>SUBJECT</u>	<u>NUMBER OF TEACHERS</u>
ENGLISH	5
MATHS/COMPUTOR STUDIES/SCIENCE	8
SCIENCE	8 (including at least) including 4 one from each) technologists main science))
CDT	6
ECONOMICS	1
BUSINESS STUDIES	1
HOME ECONOMICS	2
ART	2
MUSIC/DRAMA	2
PHYSICAL EDUCATION	3
GEOGRAPHY	3
HISTORY	3
RE	2
MODERN LANGUAGES	6 (FRENCH, GERMAN, ETC)
	—
	52
	—

3. ACCOMMODATION/RESOURCES

Large demands will be made in this area if the curriculum is to be delivered properly eg laboratories/ workshops for technology/CDT/DESIGN; IT equipment throughout the school; residential centre and funds to use it; 8 science laboratories.

POSSIBLE LOCATIONS

London, North Peckham*
London, Notting Hill*
London, Hackney
London, Newham
Leicester, Highfields*
Birmingham, Handsworth*
Coventry
Sandwell
Wolverhampton
Nottingham
Manchester, Moss Side*
Liverpool
Knowsley
Leeds, Chapeltown*
Hull
Middlesborough, North Central*
Newcastle/Gatehead
Bristol, St Paul's*

* Included in Inner City Initiative

CITY COLLEGES: ASSESSMENT OF COSTS

For purposes of illustration, it is assumed that there will be 20 colleges with 1,000 pupils in each, or 20,000 pupils altogether.

Recurrent costs

On the basis of the illustrative model curriculum in Annex A, the PTR would be 15.4. At about £13,750 per head (for salary, employer's NI contributions etc at current prices), teaching costs might amount to some £18-20 millions altogether. Teaching costs are generally found to account for about 70 per cent of net running costs, so if that proportion is applied here the total for ordinary running costs would be approaching £26-28 millions a year.

If the experiment in a high level of IT equipment proposed in para 6(3) were pursued, a further £50,000 per college might be required annually, adding another £1 million a year to the overall recurrent bill.

Capital costs.

The cost of premises would vary with land values and, in the case of existing buildings, with the amount of work required to make them suitable. The total outlay might be anything from £5 millions to £10 millions per college. The aim would be to persuade the promoters to carry the whole of this cost, but any shortfall would be met by the Secretary of State in the form of an addition to the recurrent grant to reflect its amortised cost. As an illustration, if the costs of 10 colleges were met in full by the promoters, but only 50 per cent of the costs were found in the other 10 cases, the shortfall to be amortised via the grant might be about £35-40m. The annual cost of amortising such a sum might be about £4m, and this would need to be added to the total of annual recurrent grants.

Conservative Political Centre

32 SMITH SQUARE · LONDON SW1P 3HH · (01) 222 9000

PRESS RELEASE

Prime Minister²

Release time: 00.01 hrs. Friday 25 July 1986. 448/86

SAVE OUR SCHOOLS

A pamphlet by the "No Turning Back Group" of Conservative MPs argues for radical changes in the system of financing and accountability of schools.

MF

The members of the No Turning Back Group of MP's are Michael Forsyth, Michael Brown, Christopher Chope, Michael Fallon, Eric Forth, Neil Hamilton, Alan Howarth, Gerald Howarth, Robert Jones, Edward Leigh, Peter Lilley, Michael Portillo and Ian Twinn.

The pamphlet is entitled "Save our Schools", and will be published by the Conservative Political Centre on Friday 25 July.

The press launch of Save our Schools will take place on Thursday 24th July at 10.30am at Conservative Central Office.

The authors acknowledge the mounting concern of their constituents, as parents, that, despite the Government's efforts, many of their children are leaving school ill-equipped for life and its opportunities.

/... Too much

Too much evidence has now appeared for the shortcomings of our educational system to be any longer denied.

66% of German children in the lower half of the ability range can answer correctly a sum involving additions and subtractions. The figure for equivalent British children is only 4%. The average 15 year old Japanese child is better educated at maths and other testable subjects than the top one quarter of British 16 year olds who get O-levels. Perhaps one third of our workforce have a minimum of 1 O-level or the equivalent; the figure for our major competitors, Germany, Japan and the USA, is two thirds.

Parents feel powerless to affect the system as it is. The basic defect of our education system is that it is not accountable to parents.

The authors wish to build on the element of parental choice introduced by the Government in the 1980 Education Act. Too often that right is negated in practice on the grounds of "educational efficiency".

The educational system in Britain bears the hallmarks of producer capture. There is a marked tendency to concentrate schooling in larger units, and to pursue policies which lead to the closure of small schools. This is convenient for administrators and teachers. It allows for more advanced career structures, it allows teachers to specialise more, and brings administrative convenience. The fact that it is widely disliked by parents is neither here nor there.

Different children have different educational needs. Yet there is little variety within our education system and very few specialist schools.

Deeply offensive to parents is the way in which some teachers and LEAs are using schools to promote their own ideological view of the world. "Peace Studies which cloak unilateralist propaganda. A so-called "maths" paper asks children questions about military spending by the USA and the USSR. The growth of this kind of extremism would not be possible if parents had choices as consumers.

The problems of British education are with its very structure. There is no reason to suppose that new money poured into spending on education would be allocated any more efficiently than existing funds. There is gross overspending on administration and over employment of non-teaching staff. Before spending on education is increased changes are needed to ensure that it can be spent efficiently and to the real benefit of education.

The No Turning Back Group's major concern is for the 93% of the nation's school children who are educated within the state sector.

The pamphlet reviews various means that have been canvassed to enfranchise parents as consumers in education. The authors reject large scale extension of the Assisted Places Scheme and the implementation of the voucher scheme.

The No Turning Back Group calls for three critical reforms which could combine to transform the producer domination of education into a system genuinely responsive to the needs and concerns of parents, and which could produce an immediate and sustained improvement in the quality of schooling.

First, schools should become effectively self-governing. School Boards - consisting mainly of parents elected by postal ballots, but also including teacher representatives and representatives of local business and the professions - would actually run the schools. They would take legal responsibility for the administration and policy of the school. Their most important job would be to appoint the Headteacher.

Secondly, the Group proposes that schools should be funded directly by the DES, receiving a grant based on the number of pupils enrolled. The School Board would be free to allocate funds according to its own view of priorities. Schools would thus be free to pursue different policies and to place different emphasis on the various aspects of education. In place of the current national scales of teachers' salaries each school would determine teacher remuneration.

The role of LEAs would be drastically reduced as funding and powers to determine policy would be devolved directly to the schools themselves. The actual amount available to be spent on each child would be increased as the unnecessary and wasteful

/... layers of

layers of bureaucracy were removed.

School Boards would be entitled and encouraged to tap new sources of finance over and above the basic grant.

The state should make funds available on a matching basis for existing and new schools raising funds for capital investment. Higher matching grants could be made to help schools in deprived neighbourhoods. Schools would also benefit from the tax concessions on charitable giving introduced in this year's Budget.

The authors believe that their proposals would favour the growth of new community schools.

"These would start life perhaps in rented premises, at the behest of a group of parents and teachers we suggest a lower limit of 28 pupils would be sufficient for the school to be established as a state school and qualify for the capitation grant".

Standards would continue to be set and vetted by HM Inspectorate.

The third major reform called for by the Group is open entry combined with the right of schools to determine their own admission policies. It will be entirely for parents to decide which school they would prefer their children to attend. Each child will bring with him to the preferred school the grant to which he is entitled. At the same time schools will have the right to determine their own admission policy.

/... The arguments

The Group believes that once the right of all parents to exercise effective choice in education has been established no political party would ever dare to take it away.

The arguments which now rage about which type of schooling should be imposed would become meaningless in a system which encouraged variety. Selective, comprehensive, large schools and small, single sex and mixed, specialist and denominational schools would all flourish or fade according to the real demand for them.

The pressure for standards arising from the reality of parental choice would benefit schools of all sorts.

Legislative changes to the 1944 Education Act and the Remuneration of Teachers Act would be needed. But change under these reforms would be gradual and cumulative, arising from the exercise by individual parents of the rights which they would gain.

END



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Michael Alison Esq MP
10 Downing Street
LONDON SW1

pa

17th July 1986

In Michael,

Thank you for your letter of 30 June with which you enclosed Professor Durrands' letter of 22 June to the Prime Minister about my recent decision to withdraw approval from the Part I Architecture course at Huddersfield Polytechnic and North East London Polytechnic (NELP).

I can well understand Professor Durrands' disappointment, and that of local Conservatives, at the outcome, but neither Keith Joseph, who took the provisional decision, nor I, who confirmed it, did so without careful consideration. All the concerns now expressed by Professor Durrands were explicitly addressed.

First, Professor Durrands talks about "highly questionable procedures and flawed evidence". But it was precisely because Keith did not believe that the advice he was given in December 1985 by the Committee of the National Advisory Body, NAB, about the future pattern of architecture provision was satisfactorily substantiated that he initiated a further review by the Department. The purpose of this review was to establish whether it would be reasonable to proceed, as NAB's second tier Board had recommended, to close the Part I Architecture courses at Huddersfield and NELP.

Reasonable on what grounds?

by whom? Keith's review took the form of an independent survey of the evidence available to NAB. During the course of it Huddersfield and NELP were themselves invited to comment on the accuracy of the factual evidence. In the light of that review Keith took his provisional decision. The reasons underlying his decision were communicated to both NELP and Huddersfield together with an invitation to make further representations of which both took advantage in meetings with Keith in April. Before confirming Keith's decision, I saw not only the results of his review, but also the written representations made for and on behalf of both polytechnics and the records of the meetings Keith had held.

/As to

As to the criterion of quality, Professor Durrands' second main concern, it was consulted at every stage of the review process. But it was not the sole, nor determining criterion. It could not be because all the public sector architecture schools were at the material time judged by HMI, on the basis of the findings of inspection visits to all public sector architecture courses, to be above an acceptable threshold of quality. The schools at Huddersfield and NELP were identified for closure not because of poor quality, but in relation to other planning criteria. In particular, they were located in areas otherwise well-provided for with architecture courses and were among the smallest schools in 1984 when a census of enrolments was taken. Huddersfield in fact was the smallest, with a total enrolment of architecture students well below the recommended minimum. The quality point at issue was thus whether the closure of the two courses on these planning grounds would nevertheless represent a serious loss of quality to the sector as a whole. The view of HMI was that, in terms of quality, both schools fell in the lower half of the range of public sector schools and consequently their closure would not, in the judgement of HMI, constitute a serious loss of quality to the system.

Finally, Professor Durrands suggests that there are alternative ways of saving public money on architecture training. This I take to be a reference to the possibility, canvassed by Councillor Mrs Carter of the Kirklees Authority, of cutting the formal period of architecture education, which the majority of aspirants to the profession follow in publicly maintained institutions, from 5 years to 4. To do so would indeed secure a saving. But it would not do anything to curb the existing over-supply of architects diagnosed by the transbinary group, chaired by Lord Esher, which was commissioned by the NAB and UGC in 1983 to review architecture education. On the contrary it would merely maintain it - a state of affairs which, for as long as the majority of architects continue to receive their formal professional training at public expense, I do not believe to be easily justifiable. The transbinary group therefore considered that the number of entrants and hence of graduates needed to be reduced, leading in turn to a reduction in the number of courses, rather than reducing student numbers by shortening the course, which it confirmed should in the view of the profession remain at 5 years.

I set all this out for your own and the Prime Minister's information. I do not believe that the Prime Minister should respond to Professor Durrands in similar detail. That would be inappropriate against the background of the legal action which Professor Durrands contemplates. I gather that Huddersfield is now definitely seeking leave for a judicial review of my decision. In so doing it will be following the example of NELP which has already secured leave. Instead I suggest that the Prime Minister reply on the lines of the accompanying draft.

Yours
 H. A.

But the main criterion

Quality between them

Figures for all please

Are all these open in the appendix

of results?

Excellent idea what we do up about the over supply of lawyers has been said some reduced course

Redraft in
PM's Box
PM's 26/8/



10 DOWNING STREET

THE PRIME MINISTER

This letter would do. I know this Decision for my D's days and his polytechnic! Yes I see the Education Secretary's early involvement not

23rd July, 1986

Thank you for your letter of 22nd June about Kenneth Baker's recent decision to withdraw approval from the Part I Architecture courses at Huddersfield and North East London Polytechnic. I can well understand your disappointment at this outcome which I understand you are challenging through the Courts.

~~I cannot of course~~
~~It would be quite wrong of me to anticipate the outcome of legal proceedings, but I have asked about the decision and the points you raise. From what I understand, it would seem that, whatever the circumstances of the National Advisory Body's (NAB) own consideration of the matter, the independent review initiated by Keith Joseph last December was conducted scrupulously with opportunity afforded both to you and NELP to challenge the accuracy of the evidence available to NAB and to scrutinise and make representations about the reasoning behind Keith's provisional decision. Your case certainly did not go unheard. Nor do I believe it to have been set aside for reasons of prejudice.~~

.../...

Page Two

in these circumstances

The exercise itself was undertaken, as you will know, in the light of evidence that ~~the numbers~~^{supply} of qualified architects ~~were in excess~~^{is greater than} of the demand for their services.

~~Since~~ At present, entry to the profession is restricted to ~~persons~~^{people} who qualify after 5 years of training, which in the majority of cases takes place in publicly-maintained

~~I do not believe it inappropriate~~ to limit the number of training places to a level more consistent with future demand. I understand that the suggestion has been made, by Councillor Mrs Carter among others, that a comparable saving of public money could be achieved

~~by curtailing~~^{reducing} the period of formal training from 5 years to 4. But that would not ~~achieve a stabilisation of~~^{hold down}

the size of the profession, rather the reverse. ~~Nor~~ It would also ~~not~~ be easy to achieve ~~a consensus~~^{agreement} that ~~such a~~^{reduced} step would be desirable. *on reducing the length of training.*

I am most grateful to you that you felt able to serve as the Education Commissioner on the MSC and for your support of Government policy in other ways. I am ~~very~~ sorry that on this particular issue I am ~~only able to~~ offer you somewhat cold comfort. ~~not able to be more~~ *encouraging.*

Professor K J Durrands

**DRAFT LETTER FROM THE PRIME MINISTER TO PROFESSOR K T DURRANES,
RECTOR, HUDDERSFIELD POLYTECHNIC**

Thank you for your letter of 22 June about Kenneth Baker's recent decision to withdraw approval from the Part I Architecture courses at Huddersfield and North East London Polytechnic. I can well understand your disappointment at this outcome which I understand you are challenging through the Courts.

It would be quite wrong of me to anticipate the outcome of legal proceedings, but I have asked about the decision and the points you raise. From what I understand, it would seem that, whatever the circumstances of the National Advisory Body's, NAB's, own consideration of the matter, the independent review initiated by Keith Joseph last December was conducted scrupulously with opportunity afforded both to you and NELP to challenge the accuracy of the evidence available to NAB and to scrutinise and make representations about the reasoning behind Keith's provisional decision. Your case certainly did not go unheard. Nor do I believe it to have been set aside for reasons of prejudice.

The exercise itself was undertaken, as you will know, in the light of evidence that the numbers of qualified architects were in excess of the demand for their services. Since at present, entry to the profession is restricted to persons who qualify after 5 years of training, which, in the majority of cases takes place in publicly-maintained institutions, I do not believe it inappropriate to limit the number of training places to a level more consistent with future demand. I understand that the suggestion has been made, by Councillor Mrs Carter among others, that a comparable saving of public money could be achieved by curtailing the period of formal training from 5 years to 4. But that would not achieve a stabilisation of the size of the profession, rather the reverse. Nor would it be easy to achieve a consensus that such a step would be desirable.

I am most grateful to you that you felt able to serve as the Education Commissioner on the MSC and for your support of Government policy in other ways. I am sorry that on this particular issue I am only able to offer you somewhat cold comfort.

Tertiary Education (Scotland)

4.17 pm

The Secretary of State for Scotland (Mr. Malcolm Rifkind): With permission, Mr. Speaker, I wish to make a statement following consultations on the Scottish Tertiary Education Advisory Council's report on a Future Strategy for higher education in Scotland, which was published on 9 December 1985.

First, I wish to thank the council for its work. Its report has stimulated wide debate, and there has been particular interest in its proposals with regard to the number of colleges of education in Scotland and future arrangements for the planning and funding of higher education. In these two important areas my conclusions are as follows.

The council endorses the vocational character of the colleges of education and recommends that teacher training should continue to be provided in specialist institutions. I accept that recommendation in principle, while not ruling out entirely the possibility of some other arrangement if circumstances appeared to warrant it. I agree also with the council that there is a very real problem of over-capacity in the colleges, which militates against the best use of the available resources and which must be reduced. The present accommodation will substantially exceed expected demand even in the 1990s, when student numbers are expected to increase to some extent. I consider, however, that there would be merit in seeking to retain, if practicable, a fairly wide geographical spread of provision. I have accordingly decided against closure of any college of education and I intend to seek to achieve the necessary capacity reductions in other ways.

I have reached the following decisions. First, the training of physical education teachers, both men and women, will be centralised on the site of the present Dumferline college of physical education, and accordingly the training of men PE teachers at Jordanhill college of education will cease. Dumferline college will itself be merged with Moray House college of education under a single governing body.

Secondly, Aberdeen and Dundee colleges of education will be merged on their existing sites under a single governing body. Thirdly, the detailed arrangements for bringing these organisational changes into effect will be a matter for discussion between my Department and the governing bodies concerned. Fourthly, I shall expect all colleges of education, whether or not directly affected by the organisational changes, to take early and strenuous measures to dispose of surplus accommodation on any of their sites, whether for educational or for other use. This will require the co-operation of the colleges themselves, the local authorities and other interests. Fifthly, my Department will undertake a further programme of course rationalisation designed to make the best possible use of manpower and facilities throughout the college of education sector as a whole, including those colleges—Craigie and St. Andrew's—which are not otherwise directly affected by the organisational changes. I shall review the position again next year in the light of progress made, I must make it clear that, if over-capacity remains a real problem, site closures will then become inevitable.

I believe that it would be appropriate also, as the council recommended, to review the continuation of teacher training at the University of Stirling. I shall be discussing the most suitable form of this review with my

right hon. Friend the Secretary of State for Education and Science, involving the University Grants Committee as appropriate.

As for the planning and funding of higher education in Scotland, I accept the council's view that there is scope for improvement in the existing arrangements for the planning and co-ordination of provision across the university and non-university sectors. I agree that there is a gap in the planning process which could better be bridged.

I accept the council's rejection of a planning body for the public sector of higher education only, the bulk of which in Scotland is directly funded by central Government. The situation is different from that obtaining in England and Wales and a planning body for the public sector alone is not required in Scotland. I agree also that the Northern Ireland model would not be appropriate.

Nevertheless, it does not seem sensible to proceed immediately to the establishment of an overarching planning body in Scotland with responsibility for the planning and co-ordination of provision across both the university and the public sectors. Like the council, I regard it as important that planning mechanisms should be backed by appropriate systems for the delivery of results. I have therefore decided to defer a decision on the establishment of such a body until the Government can form a clear view of the future funding arrangements for the Scottish universities. This will require advice, which has already been sought, from the committee chaired by Lord Croham, which is reviewing the UGC and also from the Advisory Board for the Research Councils. I am in touch with my right hon. Friend and he will be seeking the ABRC's views shortly. The Government will consider the advisory council's recommendations in respect of planning and funding arrangements for Scottish higher education, in the light of the further advice received. I have today given the Government's response to the advisory council's many other detailed recommendations in a written answer to my hon. Friend the Member for Cunninghame, North (Mr. Corrie).

Finally, to allow time for decisions to be taken on planning and funding arrangements, I am asking the Members of the advisory council to serve for one further year until July 1987. This will also enable the council to complete its review of the Scottish Business School, which the chairman now expects will not be possible until late this year. I shall make a further statement to the House when decisions on the matters outstanding are reached.

Mr. Donald Dewar (Glasgow, Garscadden): A small cheer from the ministerial Bench.

Any welcome that I give the statement is largely based on what it does not contain. It is tentative and seems confused. The theme is, "I accept this and that, while not entirely ruling out the other." We welcome the fact that no college closures are being announced today and that the Government have accepted, even if half-heartedly, the arguments and the value of the present structure, which is spread geographically throughout Scotland.

Can the right hon. and learned Gentleman tell me what is meant by the sentence about site closures becoming inevitable if over-capacity remains a real problem? How will that be handled? It is still a threat hanging over every college in Scotland. It cannot be a matter of student numbers, because we know what student numbers will be in a year's time. Will the right hon. and learned Gentleman

[Mr. Donald Dewar]

give every college a target, or will he leave it to boards of governors to cut as they think fit and make an arbitrary judgment at the end? Will a benchmark be set? Is it a matter of cost savings or of building closures? That is a key part of the statement and the right hon. and learned Gentleman must tell us a little more about how it will be judged when the time comes in one short year.

Does the right hon. and learned Gentleman agree that there will be widespread regret at the decision to close the Scottish school of physical education at Jordanhill? It has an honourable place in Scottish education, high standards and an excellent record. Opposition Members recognise the need to integrate the teaching of physical education for men and women. I am not quarrelling with that, but there will be widespread disappointment at the loss of a site with the closure of physical education at Jordanhill.

Do the Government intend that all academic staff should transfer, or will there be job losses? Equally important, can the right hon. and learned Gentleman give any indication of what will happen to other staff who will be involved because of the closure? I understand that there are about 300 students at Dunfermline and about 180 in the physical education department at Jordanhill. What will be the expected student numbers in the combined college when it is established?

Will the right hon. and learned Gentleman publish in full the factors and considerations, and a summary of the advice that he received, on which the decision was taken, so that the many people who regret what has happened can examine the possibilities of continuing to operate physical education units on both sites? We would have liked to receive such information. We do not know why it was ruled out. The Secretary of State should make that clear.

What about the decision to merge the management of the colleges at Dundee and Aberdeen, while retaining the two sites? The Secretary of State obviously knows that the two sites are more than 60 miles apart. It seems an odd decision. What savings does he expect which could not have been achieved by separate and independent organisations with their own boards of governors?

To avoid doubt, such as lingers in many people's minds, can the right hon. and learned Gentleman rule out the suggestion that the announcement is a preliminary to closing one of the colleges by the back door? What changes in student numbers at the two colleges does he expect during the next year or two?

Will the Secretary of State note that we would have welcomed the decision in principle to set up an overarching body to plan and shape higher education in Scotland? I am aware that Lord Croham's committee is still sitting, but will the right hon. and learned Gentleman give an assurance that Lord Croham and his colleagues have had it drawn to their attention that there is the STEAC recommendation and a substantial body of opinion in Scotland which believes that higher education in Scotland must be seen as a unit so that student numbers and curriculums are planned in an integrated and sensible way?

The Secretary of State said something rather tentatively about one or two important and controversial parts of STEAC. Will he note that I am disappointed that he has not responded to the strong case made by the committee for linking educational opportunity with the level of student grants? He has not apparently learnt from its approach to student numbers to the end of the century,

which contrasts sharply with the miserable and inadequate approach which is shown in the Government's Green Paper on higher education.

Mr. Rifkind: The hon. Gentleman said that he welcomed the Government's statement that there would be no closures of colleges of education and that he would like clarification of what is meant by my statement that if over-capacity remains a real problem site closures will become inevitable. What I mean is quite simple. Nobody disputes the fact that there is substantial over-capacity in the college of education system. In all the forecasts about likely student numbers in the foreseeable future, it is clear that substantial over-capacity will remain. There are two ways in which it can be dealt with. The first is to close colleges, and the second is to get rid of surplus accommodation, which is to be found in pretty well all colleges of education.

For the reasons that I have given, I believe that it is preferable to try to retain teacher training at each of the existing sites. That is why I have not announced any college closures, despite that being STEAC's recommendation. It is preferable to retain teacher training on each site, but that will be a reasonable use of resources only if it is possible for colleges to dispose of the surplus accommodation which they do not need now and which they will not need in future.

If we have the co-operation of colleges, local authorities and others with an interest in these matters, there is a reasonable prospect of that end being achieved. If it is achieved, there need be no closure now or in the future on any of the sites. If it is not achieved, however, I must be frank with the House and say that college closures will become unavoidable.

The hon. Gentleman also referred to the decision about physical education at Jordanhill. I echo his observations about the fine contribution to physical education that that department has made. My announcement does not reflect in any way on the quality of the work done there. As the hon. Gentleman said, there is agreement that it is necessary to integrate male and female students on a single site.

Dunfermline college is purpose-built for physical education. I assure the hon. Gentleman that the educational arguments which were put to me, and which I have accepted, pointed overwhelmingly to Dunfermline being the site for physical education. By concentrating all physical education students on that site, it is possible substantially to reduce the present under-use of capacity at Dunfermline. As to the implications for the staff at Jordanhill college, we will be discussing this with governors to ensure that there is the minimum disruption in regard to its prospects.

On the question of the merger of Dundee and Aberdeen, I have said to the hon. Gentleman that there were educational reasons, to which STEAC referred, why the number at each of these colleges was approaching a level, or in some cases was at a level, where it was not possible to give the diversity of training and experience that was educationally preferable. For this reason primarily, it is thought desirable to merge the two colleges, so that a rationalisation of courses can be attained.

The hon. Gentleman said that he was concerned that this could be closure by the back door. May I say what I said a few moments ago: if we can get rid of the unnecessary surplus accommodation in the colleges of

education of Scotland, it will not be the Government's intention to cease teacher training at any of the present sites, and that includes Dundee and Aberdeen.

Finally, the hon. Gentleman expressed his view that the Opposition were in principle in favour of an overarching body responsible for the planning of higher education in Scotland. In the Government's view, it is unwise to come to a conclusion on this matter until we are able to come to a conclusion on the question of resources. The question whether responsibility for resources should lie with one Department or another is crucial to whether an overarching planning body would be advisory or executive — or, indeed, desirable at all. It therefore seems sensible to decide on these matters when the related questions can also be resolved.

Sir Hector Monro (Dumfries): I give my right hon. and learned Friend a very warm welcome for his statement. Everyone in south-west Scotland, including my right hon. Friend the Member for Ayr (Mr. Younger), and particularly the staff of Craigie college, will be delighted that it is to remain open and that the close relationship in teaching practice will continue in south-west Scotland.

Is my right hon. Friend aware that the amalgamation of PE teaching at Dunfermline will ensure an ideal centre of teaching excellence? May I expect that PE standards in Scotland, in both quality and facilities, will improve?

Mr. Rifkind: I thank my hon. Friend for his welcome to the proposals.

Craigie has been successful in finding alternative use for much of its surplus accommodation. There is still some surplus capacity, but much is utilised by Ayr technical college. As a consequence, Craigie now has the lowest unit costs of all the colleges in Scotland. One therefore very much hopes not only that Craigie will be able to dispose of any remaining surplus capacity, but that its achievements will be able to be emulated in this respect by other colleges with still greater amounts of surplus accommodation. I have to emphasise that there can be no guarantee for any individual college in Scotland if we are unable to get the overall reduction in surplus capacity that any Government, I believe, would conclude was necessary at present.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Is the Secretary of State aware that, like the hon. Member for Glasgow, Garscadden (Mr. Dewar), we very much welcome the decision to keep open the existing colleges? Is he aware that the merging of the organising of the colleges seem in contradiction to the concept of specialist institutions, which he himself warmly commended? In this regard, can he explain the remarkable sentence:

"I accept that recommendation in principle, while not ruling out entirely the possibility of some other arrangement if circumstances appeared to warrant it."?

That seems to lack the smack of fervour.

Mr. Rifkind: I thank the hon. Gentleman for his welcome of the Government's decision. I understand that his view is not necessarily shared by all his Liberal colleagues. I understand that the hon. Member for Gordon (Mr. Bruce) indicated that he would wish to see the majority of the colleges retained, thereby implying that he wished to see others closed. I am not certain which view we should assume to be the official view of the Liberal party.

With regard to the hon. Gentleman's other question, we have accepted the conclusion of STEAC. It seems sensible

to retain a separate college of education structure, but this matter deserves continuous consideration. We know that elsewhere in the United Kingdom teacher training occasionally has been attached to other education establishments. There are arguments for and against, which STEAC considered. Therefore, my comment was to indicate that I did not wish to rule out the possibility that at some future date consideration might be given to that matter. However, there is at present no proposal to go in that direction.

Mr. Michael Hirst (Strathkelvin and Bearsden): I accept the premise of the STEAC report that there needs to be rationalisation in teacher training, but is my right hon. Friend aware that there will be real regret in the west of Scotland at the closure of the Scottish school of physical education at Jordanhill college, which has a long and distinguished history? Can he confirm that he was obliged to make the decision to close the Scottish school of physical education because of the European directive that prohibited single sex physical education?

Mr. Rifkind: My hon. Friend is correct. The European directive indeed required this. Although I am bound to say that the Government believe that there are also sound educational reasons why a development of this kind is highly desirable.

Mr. David Lambie (Cunninghame, South): I congratulate the right hon. and learned Gentleman on recognising the need to maintain a fairly wide geographical spread and to maintain Craigie college of education as a centre of higher education for south-west Scotland. This is the third successful campaign in which I have taken part with the right hon. Member for Ayr (Mr. Younger) to safeguard the future of Craigie college. In view of the right hon. and learned Gentleman's answer to the Member for Dumfries (Sir H. Monro), will he now give a guarantee that the decision on Craigie will not be reviewed next year, and that the decision announced today by the Government will be the final one on Craigie, so giving the right hon. Gentleman and myself a rest for the remainder of our parliamentary lives?

Mr. Rifkind: I freely acknowledge that when the hon. Gentleman and my right hon. Friend combine forces, that is a pretty formidable consideration that I have to bear in mind.

As to the hon. Gentleman's question, in all seriousness, I have to emphasise that I very much wish to retain teacher training at all the existing locations, including Craigie, but this will be possible only if it is shown in the next year that we can dispose of the surplus accommodation in the system. Everybody acknowledges that there is substantial surplus in the system. It has to be disposed of. I hope to be able to do that and avoid the closure of teacher training establishments in any location in Scotland, although I cannot guarantee that that will be possible. That depends not only on the actions, of the Government, but on the willing co-operation of local authorities, because in some cases change of use and planning permission may be necessary. It depends on the co-operation of the colleges themselves and on finding acceptable uses for the surplus accommodation in each of the localities.

Mrs. Anna McCurley (Renfrew, West and Inverclyde) I congratulate my right hon. Friend on the retention of all the colleges of education in Scotland. With

[Mrs. Anna McCurley]

the elephantine memory that I have of this issue, may I say that I remember that we have a much better record than others of keeping open colleges?

One thing that has always bothered me is the long-term planning of numbers in colleges of education. I am pretty sure that a more efficient system could be used.

I notice that in his statement my right hon. and learned Friend said that he wished to see the colleges revert to their vocational character. Will he consider Jordanhill college particularly, which has a poor level of morale at present and has rather lost its way as a college? Will he pay special attention to reintroducing that vocational character to Jordanhill?

Mr. Rifkind: I thank my hon. Friend for her comments. STEAC emphasised that the vocational character of the college of education was an important characteristic that ought to be preserved. I am happy to endorse that.

Several Hon. Members rose—

Mr. Speaker: Order. I shall endeavour to call all those Members who wish to speak, but I remind the House that we have a heavy day in front of us, and I would be grateful for brief questions.

Dr. Norman A. Godman (Greenock and Port Glasgow): How long will the council continue in existence? The proposal to merge Moray house and Dunfermline college will be greeted with deep dismay at the college in Cramond. Can the Secretary of State give an assurance that the fine work carried out by the college in education and training for the tourist industry will not be harmed in any way by such a merger?

Mr. Rifkind: The STEAC will continue for at least a year, as I said. I believe that my statement about the merger of Dunfermline and Moray house will be warmly welcomed because it involves a substantial additional responsibility for Dunfermline, as it is to become the sole centre for physical education training in Scotland. In addition, the proposed merger with Moray house will have important educational benefits. It is important that teacher trainees in physical education should have greater contact with other teacher trainees and be able to use the facilities of Moray house. That greater link between the two colleges will be to the benefit of trainees and staff at both colleges.

Mr. Barry Henderson (Fife, North-East): Is my right hon. and learned Friend aware that many people regard this as a wise and imaginative statement which has something of what might be called "Malcolm's Magic"? In particular, is my right hon. and learned Friend aware that it will be regarded as better educationally, financially and geographically than what was first proposed? Given the opportunities that my right hon. and learned Friend has provided for these colleges to use available resources to do wider and different things within those establishments, can he establish a conference of the colleges concerned and other educational bodies, which together can think of useful schemes to bring this about successfully?

Mr. Rifkind: I thank my hon. Friend for that welcome. I emphasise that it is important for the colleges to appreciate that the alternative accommodation which they are seeking to dispose of need not be used only for

educational purposes. If there are alternative educational purposes, there is no objection to that. The important thing is to ensure the disposal of that surplus accommodation. Whether it is used for educational, residential or other purposes is a matter to which the colleges can give equal consideration. The important thing is to ensure that we have a healthy use of the available resources. It cannot be healthy for half empty buildings to continue being financed from available resources. That is not in the educational interest, or in that of colleges.

Mr. Gordon Wilson (Dundee, East): I welcome the Secretary of State's announcement that he has recognised the geographical principle that we need a spread of education teaching opportunities. Will he also recognise that the statement is a continuation of 10 years of uncertainty for the colleges and amounts to a stay of execution until after the next general election? In the context of the Dundee and Aberdeen colleges, will the Secretary of State say what rationalisation will take place, what further reductions in student numbers there will be on each site, and what effect that will have on staff? I register my disappointment and that of my party at the Secretary of State's failure to grasp the opportunity given by STEAC for an overarching body.

Mr. Rifkind: I am surprised that the hon. Gentleman refers to my announcement as a stay of execution for Dundee. He appears to believe that it is impossible to dispose of surplus accommodation in Dundee. If that is possible, it is not a stay of execution, but a reprieve, because it means that teacher training will be able to continue on a permanent basis at Dundee.

The hon. Gentleman knows that Dundee college has about one fifth of the students that it needs to utilise its full capacity. The hon. Gentleman cannot be happy that Dundee college is about 80 per cent. unused. He knows the great difficulty that there has been in finding any alternative educational use for that building that would utilise the spare capacity. If the hon. Gentleman and others with an interest in this matter in Dundee, including the local authority and the college, got together and, in co-operation with the Scottish Office, ensured the disposal of the surplus accommodation, allowing teacher training to continue in Dundee with the accommodation that is really needed, teacher training would continue on a permanent basis.

Mr. John Corrie (Cunninghame, North): I support what the hon. Member for Cunninghame, South (Mr. Lambie) said. I congratulate my right hon. and learned Friend on the skilful way in which he has reached his decision. I thank him on behalf of the people of Ayrshire and the south-west of Scotland for keeping Craigie college going. Is it not frightfully important that students go from rural areas to a rural environment college and return to their areas so that there is good liaison between teachers and pupils?

Mr. Rifkind: Yes, that is a desirable objective, and I bore in mind the fact that in England and Wales there is substantial geographical diversity, which is easier in those two countries because there are relatively few separate colleges of further education and teacher training tends to be linked to other educational training establishments. We have separate colleges of education, which were built

larger than is needed in modern circumstances. That is why we have the problem that we are now seeking to resolve.

Mr. Ernie Ross (Dundee, West): The Opposition were not surprised that the Secretary of State came to this conclusion, as it is the argument that we have been making since the debate on the Education (Scotland) Act 1981. More recently, in March of this year, my hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) had an Adjournment debate on this subject. There is a need for a geographical spread of the colleges. There is a need to see what use can be made of spare capacity. For those reasons, we are not surprised that the Secretary of State has come to this conclusion.

It makes nonsense to have two colleges that are 64 miles apart sharing one governing body. Where will it meet? Will it be offshore, in Montrose, Johnshaven, or Stonehaven? It must lead to concern, and I am sure that if the hon. Member for Aberdeen, North (Mr. Hughes) catches your eye, Mr. Speaker, he will make the same point. There must be pressure on these colleges of education. We do not regard them as sites. They are colleges with people, teachers, staff and students. There must be some concern about the statement and its effect on Aberdeen and Dundee.

Mr. Rifkind: I hope that there will continue to be teachers, pupils and staff in both cities for the foreseeable future. While the hon. Gentleman is correct to say that he and his hon. Friends have continually said that they are against college closures, they have not demonstrated their commitment to seeking the disposal of surplus accommodation. That is a crucial part of the strategy.

I emphasise that it is not sufficient simply to say that we must not close colleges. At the moment there are 5,000 teacher trainees in Scotland. It is expected that there will be a maximum of 7,500 in years to come. The college capacity is about 10,000. Unless we can bridge the gap between what is needed and what is not, it is inevitable that some colleges will close. We all wish to avoid that, and we can do so if we have maximum co-operation.

Mr. Jim Craigen (Glasgow, Maryhill): The Secretary of State has been evasive about a number of key issues facing tertiary education in Scotland. Why did he take the political decision to smash the physical education facilities at Jordanhill, which must surely override some of the economic, social and geographical factors involved?

Mr. Rifkind: That is an extraordinary and absurd remark. Far from it being a political decision, I remind the hon. Gentleman that we are required by the European directive to eliminate single sex education in physical education. The numbers involved could not possibly justify having male and female students at both Jordanhill and Dunfermline, and in Dunfermline we have the only purpose-built college of physical education in Scotland. If the hon. Gentleman cannot see the logic in that, nothing that I say will convince him.

Mr. Charles Kennedy (Ross, Cromarty and Skye): I welcome the tribute that the Secretary of State has paid to Jordanhill. Can he be a little more explanatory? When he speaks about the minimal disruption that he hopes will follow consultation?—[HON. MEMBERS: "Where is the right hon. Member for Glasgow, Hillhead (Mr. Jenkins)?"] My right hon. Friend is in hospital recovering from an operation.

Has the Secretary of State any ideas on whether that minimal disruption following consultation with the governors will involve lay offs and transfers?

Mr. Rifkind: It would be wrong for me to speculate on that matter before we discuss it with the governors. Clearly the transfer of a significant number of students from Jordanhill to Dunfermline college will involve some opportunities for staff. However, the conclusion on that must await detailed discussions, and I do not want to give a misleading answer that might not be borne out by events.

Mr. Martin J. O'Neill (Clackmannan): Will the Secretary of State be more forthcoming about the inquiry that he hopes to institute in conjunction with the UGC about the Education department at Stirling university, bearing in mind the need for a geographical spread of colleges and facilities in Scotland? Central region lost Callander Park after the college had done everything that the Secretary of State is now recommending to other colleges, namely, to rent out all available surplus accommodation within its campus. At the end of the day the college was still closed. Can the Secretary of State assure us, therefore, that there will be a full and fair review in conjunction with the UGC, unlike some of the reviews that have been carried out recently? Will he also make it clear that in the recent past other Ministers in his Department have closed colleges even though those colleges had done everything they could to rid the Scottish taxpayer of the burden of the cost of the surplus accommodation?

Mr. Rifkind: The hon. Gentleman will know that responsibility for universities lies not with me but with my right hon. Friend the Secretary of State for Education and Science. The Scottish Tertiary Education Advisory Council recommended a review of the position at Stirling university with regard to teacher training. In conjunction with my right hon. Friend I have accepted that recommendation. We must await the outcome of that review.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): May I thank you, Mr. Speaker, for the honour that you keep bestowing on me of giving me the last word on these occasions?

I hope that I am in order in adding my thanks to the Secretary of State for Scotland for accepting the powerful educational, geographical and economic argument that was put on behalf of Craigie college, not just by my hon. Friend the Member for Cunninghame, South (Mr. Lambie) and by the right hon. Member for Ayr (Mr. Younger), but by all people in the south-west of Scotland. It is only marred a little by the year's review, which is perhaps piling up work for my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar).

Can the Secretary of State assure us, because worry arises from one or two things that he has repeated in his statement, that colleges like Craigie, which are getting rid of surplus accommodation or are making effective use of it, will not be penalised because big colleges like Moray house and Jordanhill do not over the next year get rid of surplus accommodation, as the Secretary of State recommends? Can he make it clear that he will put pressure on colleges that have surplus accommodation either to use it effectively or to dispose of it, so that colleges that do as he asks will not suffer?

Mr. Rifkind: I am grateful to you, Mr. Speaker, for allowing me to have the last word. I am overwhelmed by the combined congratulations of the hon. Member for Cunninghame, South (Mr. Lambie) and the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes). It is an experience with which I am not familiar and I suspect that it will not often be repeated.

I accept their requirement to put maximum pressure on all colleges of education that have surplus capacity. I have given no assurances to any college as to its long-term future if surplus capacity is not removed. If it is possible to speak on behalf of both sides of the House, it is highly desirable for all colleges, including the larger ones, to get rid of surplus accommodation. They will do a service not only to themselves but to the interests of teacher training in Scotland as a whole.

Mr. Speaker: Perhaps I may have the last word on the last question. I say to the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) that if he cannot be first he might as well be last.

Mr. Foulkes: And the last shall be first.

Mr. Speaker: Even that.

Orders of the Day

Finance Bill

Not amended in the Committee and as amended (in the Standing Committee), further considered.

Ordered,

That the order [8 July] be amended and that the Bill, as amended, be further considered in the following order, namely, new clause No. 18, new schedule (Broadcasting: Additional Payments by Programme Contractors), new Clauses Nos. 26 to 30 and 32, Amendments relating to Clauses Nos. 64 to 94, other new Clauses, and Amendments relating to Clauses Nos. 1 to 3, Schedules Nos. 1 and 2, Clauses Nos. 4 and 5, Schedule No. 3, Clause No. 6, Schedule No. 4, Clauses Nos. 7 and 8, Schedule No. 5, Clause No. 9, Schedule No. 6, Clauses Nos. 10 to 31, Schedule No. 7, Clauses Nos. 32 to 38, Clause No. 40, Schedule No. 9, Clauses Nos. 41 and 42, Schedule No. 10, Clauses Nos. 43 and 44, Schedule No. 11, Clauses Nos. 45 and 46, Schedule No. 12, Clauses Nos. 47 to 55, Schedules Nos. 13 and 14, Clause No. 56, Schedule No. 15, Clause No. 57, Schedule No. 16, Clauses Nos. 58 to 62, Schedule No. 17, Clause No. 63, Schedule No. 18, Clauses Nos. 95 and 96, Schedule No. 19, Clause No. 97, Schedule No. 20, Clauses Nos. 98 to 104, Schedule No. 21, Clauses Nos. 105 to 108 and Schedule No. 22.—[*Mr. Norman Lamont.*]

Mr. Speaker: In addition to the amendments set out in my provisional selection, which has already been circulated, I am selecting amendment No. 19, standing in the name of the hon. Member for Leyton (Mr. Cohen). That amendment is to be found on page 2083 of the amendment paper and it will be taken immediately after Government amendment No. 102 and its related amendments.

New Clause 18

BROADCASTING: ADDITIONAL PAYMENTS BY PROGRAMME CONTRACTORS

—(1) The Broadcasting Act 1981 shall have effect with respect to additional payments payable by programme contractors under that Act subject to the amendment made by Part I of Schedule (*Broadcasting: additional payments by programme contractors*) to this Act.

(2) The transitional provisions made by Part II of that Schedule shall have effect.

(3) This section shall be deemed to have come into force on 1st April 1986.—[*Mr. Giles Shaw.*]

Brought up, and read the First time.

Mr. Speaker: With this it will be convenient to take Government amendments Nos. 29 and 30.

4.54 pm

The Minister of State, Home Office (Mr. Giles Shaw): I beg to move, That the clause be read a Second time.

I feel somewhat honoured to move a new clause to the Finance Bill which relates directly to the affairs of the Home Department, but that is the position I am in today.

New clause 18, and amendments Nos. 29 and 30 seek to implement proposals relating to the scheme of additional payments in the Broadcasting Act 1981, commonly known as the ITV levy. The Government's proposals for changing the structure of the levy were announced earlier this year by my right hon. Friend the Home Secretary.

When the levy was first introduced in 1964, it was based on ITV contractors' revenue. The revenue-based

Boughton of Sowerby, L.
Hutchinson of Lullington, L.
Irving of Dartford, L.
Jeger, B.
Jenkins of Putney, L.
Kilbracken, L.
Kilmarnock, L.
Leatherland, L.
Listowel, E.
Llewelyn-Davies of Hastoe, B.
Lloyd of Kilgerran, L.
McGregor of Durris, L.
McNair, L.
Mais, L.
Mayhew, L.
Monson, L.
Morton of Shuna, L.
Mulley, L.
Nicol, B.
Ogmore, L.

Oram, L.
Pitt of Hampstead, L.
Ponsonby of Shulbrede, L.
Prys-Davies, L.
Ritchie of Dundee, L.
Rochester, L.
Ross of Marnock, L.
Sefton of Garston, L.
Serota, B.
Stallard, L.
Stedman, B.
Stoddart of Swindon, L.
Taylor of Mansfield, L.
Underhill, L.
Wells-Pestell, L.
White, B.
Williams of Elvel, L.
Winstanley, L.
Winterbottom, L.

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Abinger, L.
Allenby of Megiddo, V.
Alport, L.
Auckland, L.
Belhaven and Stenton, L.
Beloff, L.
Belstead, L.
Bessborough, E.
Birdwood, L.
Brabazon of Tara, L.
Brougham and Vaux, L.
Broxbourne, L.
Butterworth, L.
Caithness, E.
Campbell of Croy, L.
Carnegy of Lour, B.
Carnock, L.
Chalfont, L.
Coleraine, L.
Constantine of Stanmore, L.
Cork and Orrery, E.
Cowley, E.
Craigavon, V.
Crathorne, L.
Dacre of Glanton, L.
Darcy (de Knayth), B.
Davidson, V.
Denham, L. [*Teller.*]
Donegall, M.
Drumalbyn, L.
Eccles, V.
Ellenborough, L.
Ferrier, L.
Fortescue, E.
Gainford, L.
Gardner of Parkes, B.
Gisborough, L.
Glanusk, L.
Glenarthur, L.
Gridley, L.
Hardinge of Penshurst, L.
Henderson of Brompton, L.
Henley, L.
Hives, L.
Hooper, B.
Hylton-Foster, B.
Ilchester, E.
Killearn, L.
Kimball, L.
Kinnaird, L.
Knollys, V.
Lane-Fox, B.
Lauderdale, E.
Layton, L.
Long, V.
Lucas of Chilworth, L.
Lurgan, L.
Lyell, L.

McAlpine of Moffat, L.
McFadzean, L.
MacLehose of Beoch, L.
Macleod of Borve, B.
Malmesbury, E.
Mancroft, L.
Margadale, L.
Masham of Ilton, B.
Maude of Stratford-upon-Avon, L.
Merrivale, L.
Mersey, V.
Middleton, L.
Minto, E.
Monk Bretton, L.
Montgomery of Alamein, V.
Mowbray and Stourton, L.
Moyné, L.
Murton of Lindisfarne, L.
Newall, L.
Norfolk, D.
Nugent of Guildford, L.
Onslow, E.
Orr-Ewing, L.
Pender, L.
Penrhyn, L.
Peyton of Yeovil, L.
Plummer of St Marylebone, L.
Porritt, L.
Rankeillour, L.
Reigate, L.
Renton, L.
St. Aldwyn, E.
Sandford, L.
Selkirk, E.
Sempill, Ly.
Sherfield, L.
Skelmersdale, L.
Stodart of Leaston, L.
Strathcarron, L.
Sudeley, L.
Swinton, E. [*Teller.*]
Teviot, L.
Thomas of Swynnerton, L.
Thornycroft, L.
Trumpington, B.
Tryon, L.
Ullswater, V.
Vaux of Harrowden, L.
Vickers, B.
Vivian, L.
Whitelaw, V.
Wise, L.
Wolfson, L.
Young, B.
Ypres, E.
Zouche of Haryngworth, L.

Higher Education in Scotland

4.40 p.m.

Viscount Davidson: My Lords, with the leave of the House I shall now repeat a Statement made in another place by my right honourable friend the Secretary of State for Scotland. The Statement is as follows:

"With permission, Mr. Speaker, I wish to make a statement following consultations on the Scottish Tertiary Education Advisory Council's report on a future strategy for higher education in Scotland, which was published on 9th December 1985.

"First of all, I wish to thank the council for its work. Its report has stimulated wide debate, and there has been particular interest in its proposals with regard to the number of colleges of education in Scotland and future arrangements for the planning and funding of higher education. In these two important areas, my conclusions are as follows.

"The council endorses the vocational character of the colleges of education and recommends that teacher training should continue to be provided in specialist institutions. I accept that recommendation in principle, while not ruling out entirely the possibility of some other arrangement if circumstances appeared to warrant it. I agree also with the council that there is a very real problem of overcapacity in the colleges, which militates against the best use of the available resources and which must be reduced. The present accommodation will substantially exceed expected demand even in the 1990s when student numbers are expected to increase to some extent. I consider, however, that there would be merit in seeking to retain, if practicable, a fairly wide geographical spread of provision. I have accordingly decided against closure of any college of education and I intend to seek to achieve the necessary capacity reductions in other ways.

"I have reached the following decisions. First, the training of physical education teachers, both men and women, will be centralised on the site of the present Dunfermline College of Physical Education, and accordingly the training of men PE teachers at Jordanhill College of Education will cease. Dunfermline College will itself be merged with Moray House College of Education under a single governing body.

"Secondly, Aberdeen and Dundee colleges of Education will be merged on their existing sites under a single governing body. Thirdly, the detailed arrangements for bringing these organisational changes into effect will be a matter for discussion between my department and the governing bodies concerned. Fourthly, I shall expect all colleges of education, whether or not directly affected by the organisational changes, to take early and strenuous measures to dispose of surplus accommodation on any of their sites, whether for educational or for other use. This will require the co-operation of the colleges themselves, the local authorities and other interests.

"Fifthly, my department will undertake a further programme of course rationalisation designed to make the best possible use of manpower and

Resolved in the negative, and amendment disagreed to accordingly.

[VISCOUNT DAVIDSON.]

facilities throughout the college of education sector as a whole, including those colleges, Craigie and St. Andrew's, which are not otherwise directly affected by the organisational changes.

"I shall review the position again next year in the light of progress made. I must make it clear that, if overcapacity remains a real problem, site closures will then become inevitable. I believe that it would be appropriate also, as the council recommended, to review the continuation of teacher training at the University of Stirling. I shall be discussing the most suitable form of this review with my right honourable friend the Secretary of State for Education and Science, involving the UGC as appropriate.

"So far as the planning and funding of higher education in Scotland is concerned, I accept the council's view that there is scope for improvement in the existing arrangements for the planning and co-ordination of provision across the university and non-university sectors. I agree that there is a gap in the planning process which could better be bridged.

"I accept the council's rejection of a planning body for the public sector of higher education only, the bulk of which is in Scotland directly funded by central government. The situation is different from that obtaining in England and Wales and a planning body for the public sector alone is not required in Scotland. I agree also that the Northern Ireland model would not be appropriate.

"Nevertheless, it does not seem sensible to proceed immediately to the establishment of an overarching planning body in Scotland with responsibility for the planning and co-ordination of provision across both the university and the public sectors. Like the council, I regard it as important that planning mechanisms should be backed by appropriate systems for the delivery of results. I have therefore decided to defer a decision on the establishment of such a body until the Government can form a clear view of the future funding arrangements for the Scottish universities. This will require advice, which has already been sought, from the committee chaired by Lord Croham which is reviewing the UGC and also from the Advisory Board for the Research Councils. I am in touch with my right honourable friend and he will be seeking the ABRC's views shortly. The Government will consider the advisory council's recommendations in respect of planning and funding arrangements for Scottish higher education, in the light of the further advice received.

"I have today given the Government's response to the advisory council's many other detailed recommendations in a Written Answer to my honourable friend the Member for Cunninghame North.

"Finally, in order to allow time for decisions to be taken on planning and funding arrangements, I am asking the members of the advisory council to serve for one further year until July 1987. This will also enable the council to complete its review of the Scottish Business School, which the chairman now expects will not be possible until late this year. I shall

make a further statement to the House when decisions on the matters outstanding are reached." My Lords, that concludes the Statement.

Lord Ross of Marnock: My Lords, we should be grateful and express our gratitude to the noble Viscount, Lord Davidson, for undertaking the task of repeating the Statement. He is fast becoming an expert on Scottish business. Last time, it was sheep. Now it is tertiary education. I am sorry that the noble Viscount should be landed with this, but he read it very well. The fact is that the STEAC report appeared on 9th December last year. So the mountaineers of St. Andrew's House have laboured for nearly seven and a half months. And now this is what they have produced. What is it? It is purely and simply a holding Statement. What it states loud and clear is that this is not the time to make decisions that might not be popular. To my mind, the Statement underlines the fact that we are going to have an election next year.

What have we got? The Statement is in two parts. The first deals with colleges of education. That means, in Scotland, the teacher training colleges, funded entirely by the Secretary of State. No one is going to impede him in respect of anything he wants to do there. It is his decision. What the Secretary of State has done is to bow to the EC. He has ended the segregation of women and men in relation to physical education by taking away the physical education department from Jordanhill and putting it into the Dunfermline College. And be not deceived! Dunfermline College, where the ladies are trained, is in Edinburgh. There, it is to be put, I believe, under one governing body. No one will have much objection to that. But the Statement goes further and says that Dunfermline College is to be merged, I believe, with Moray House under a single governing body. What is to happen eventually there we have no idea.

The other great decision is that Aberdeen and Dundee training colleges will be merged on their existing sites, which are, by the way, just 61 miles apart, under a single governing body. What is the purpose of that? Is it a prelude to merging the colleges on one site? It will be remembered what happened in relation to Notre Dame and Craiglochart. These are now called St. Andrew's in the Statement. They became one college. Is that what will happen here? It is rather strange to have one single governing body for colleges which are 60 and more miles apart. Where will they meet? Will it be like the EC jumping from Strasbourg to Brussels? Will it be Aberdeen one month and Dundee the next, or will they settle for somewhere like Montrose in between? What is the reason for this? Is it the prelude to complete merger? The decision not to do anything about any of the other colleges is to my mind somewhat negated by what the Government eventually say:

"I shall review the position again next year . . . I must make it clear that, if over-capacity remains the real problem, site closures will then become inevitable."

That is a little mealy mouthed. It is not the site that will be closed but the college. Why did the Government not say so? What is the clue to this? How will they save themselves? They will do so by getting rid of surplus accommodation on any of their sites.

Of the many colleges the one that I know best is Ayr, which already has close links with the technical college. It has close co-operation with Manpower Services and quite a lot of its accommodation is being used for training. Only a week or so ago we had a Statement from the Government's head window dresser, the noble Lord, Lord Young, giving us an impression that there was going to be a great new link-up with education and industry, that there will be new courses for the young and older unemployed, in-vocation training, all of which were mentioned in the Government's Green Paper, *Higher Education in the 1990s*, published in May last year. Surely if the Government are going to make progress along these lines this is where one has to do it if one has surplus capacity in the training colleges. But all the Government talk about is getting rid of spare capacity, selling it, giving it to somebody else, and doing something with it or the whole college will be closed next year. It is a purely negative Statement. In the light of the Statement that was made by the noble Lord, Lord Young, this Statement makes his ring with insincerity.

Can I be informed how many reviews there are to be? There will be a review next year of the whole matter. There will be a review of the continuation of teacher training at the University of Stirling. When we come to planning and funding of higher education what do we get?—

"I have decided to defer a decision on the establishment of such a body".

That is an overarching body linking the planning of the public sector—they are the local authorities and the Scottish education department—with the universities. But have the Government forgotten what they themselves said? While the STEAC was still sitting the Government saw no practical scope for a united planning body for higher education of the kind comprehended by the term "overarching body". Now they say, "We shall defer a decision". They have already given us the decision. Why do they not make their real purpose clear? Then they say that it will complete the review on the Scottish business school.

Why on earth was this Statement made when they are deferring decisions and announcing reviews? There is little or nothing in it. What there is in respect of the teacher training colleges with reference to Aberdeen and Dundee will arouse the greatest suspicions—as indeed it will from the others who are told, "Close down, get rid of spare capacity, or else". It is a very negative Statement on Scotland's higher education.

Lord Grimond: My Lords, I too should like to thank the noble Viscount very much for making this Statement and also the council for their admirable report. It seems to me that the report and the Statement raise issues which would be better dealt with in debate than by question and answer. I hope therefore that the Government will forgive me if I do not go at great length into the details of these matters which they have mentioned.

There are three points, however, which I should like to raise with them. First, there is in the Statement a proposal to place certain teacher training colleges under a common governing body. Can the Government tell me whether this is the same process

that has gone on in England with the arts colleges? If so—I do not suppose that they will be able to answer now—will they look into the question of whether it has been successful and whether it has led to economies and satisfaction?

Secondly, there is mention of the University of Stirling. I hope that the Government will be able to tell us that they appreciate the great work that the University of Stirling has done in the educational field, and that this will be taken into account in the future.

Thirdly, on the question of funding, the Government will be well aware that the future funding of the Scottish universities is a matter of considerable controversy. Are they aware that, although there is a case for more control in Scotland over the funding, the future entirely depends on the funding being adequate? It is the scale of the funding which will decide whether the measures are successful or not. I very much hope that the Government may be able to give some reassurance that they intend to give the Scottish universities the funds which they deserve.

Viscount Davidson: My Lords, I am grateful to the noble Lord, Lord Ross of Marnock, and the noble Lord, Lord Grimond, for their reception of this Statement. That of the noble Lord, Lord Ross, was somewhat qualified. He will not expect me to enter into a debate at this stage on his many points, some of which were quite political. The noble Lord asked me three questions. Why was there such a delay in responding to the STEAC report? The answer is that the Government allowed a period of more than three months up to 27th March for comments on the STEAC report. They then took time to consider all the comments received before making the Statement. I therefore do not think that it was as long as the noble Lord thought.

On the question of the merger of Aberdeen and Dundee colleges of Education, they are 50 or 60 miles apart—

Lord Ross of Marnock: Sixty-one, my Lords.

Viscount Davidson: Sixty-one miles apart. When I was last there they were about 70 or 80 miles apart. The merger will facilitate the rationalisation of courses over the two sites and will, I hope, make it easier to dispose of surplus accommodation at both of them. We expect the outcome to be a single strong college of education operating at a reduced overall unit cost but well adapted to meet the teacher training needs of the North and North-East of Scotland. The noble Lord also asked me how many reviews there will be and then told the House the answer. I do not think, therefore, that I need to answer him on that point.

The noble Lord, Lord Grimond, asked about the mergers and whether they resembled the recent arts colleges merger in England. I understand that this involved more than just two colleges, but we shall certainly see what lessons can be learned from that arrangement.

On the future funding of the Scottish universities, the Government are open minded on this matter and will take account of the views that have been expressed on both sides of the argument before reaching a

[VISCOUNT DAVIDSON.]

decision. We shall also take account of the comments of the Croham Committee. I would add that the committee hopes to submit its report early next year.

Lord Carmichael of Kelvingrove: My Lords, may I also thank the Minister for the Statement he made. Can I point out that the only positive decision in the Statement concerned a college that is literally on my doorstep in Glasgow. I refer to the men's physical education training at the Jordanhill College of Education. Is the noble Viscount aware that this is a very beautiful college in a very lovely park and that there will be considerable worry about the disposal of any of the surplus buildings?

Will he take back to the Scottish Office the real concern which there is and which there will be in Scotland about even the mention of the disposal of colleges of education? The last major college of education that was disposed of by the Government—Hamilton College of Education—caused, to say the least, a great deal of disquiet in respect of the price for which it was sold to a private school. Will the noble Viscount ensure that in future the public valuer is involved in setting the price and that it is not done in the very unsatisfactory way in which I think everyone in Scotland is now convinced Hamilton College was disposed of?

5 p.m.

Viscount Davidson: My Lords, I am grateful to the noble Lord, and I shall certainly convey his views to my right honourable and learned friend the Secretary of State. The noble Lord may be reassured if I tell him that it will be up to the Government to secure the compliance of all governing bodies as to the disposal of parts of their colleges. We would of course expect the governing bodies to act responsibly. I understand that it may be the intention to appoint independent consultants who would report to the Secretary of State on the marketing prospects of the land and buildings at each college.

Baroness Carnegy of Lour: My Lords, I, too, should like to thank my noble friend for repeating the Statement. I should like to ask him two questions. First, clearly it is extremely sensible, in view of the history of the difficulties of rationalising the colleges of education accommodation provision in Scotland to merge colleges rather than to close them and to ask new governing bodies to do the rationalisation within themselves.

However, in view of the fact that that is the method that has been chosen, will my noble friend convey to his right honourable and learned friend the Secretary of State the importance to the local areas of there continuing to be some provision in the local areas of Dundee and of Aberdeen, and point out that at present there is community education training in both these colleges and it is extremely important that that community education provision should be located in both areas and not only in one? I should be most grateful if my noble friend would convey those sentiments to his right honourable and learned friend. Will he also convey to him the importance of the

freedom of those colleges to make the right decision in regard to the local areas?

My second question is directed to my noble friend. As regards Dunfermline College, where I had the privilege of conferring the degrees the other day, it struck me that that college has a very small but very important identity of its own. While I can accept that, due to European legislation, the merging with the men's college is sensible, will it be possible to keep the identity of that college clear and separate once it has merged with Moray House? I hope that that will be possible, and I should be grateful if I could be reassured on that point.

Viscount Davidson: My Lords, I am most grateful to my noble friend Lady Carnegy of Lour, and I shall certainly convey what she has said to my right honourable and learned friend. As regards the merger between Dunfermline College and Moray House, at present there are no plans for any new name for the joint college, but I shall certainly convey my noble friend's views. It will be a matter for discussion with the governing bodies. We do not have any preconceived ideas. As regards the existing staffing of the two colleges, that will be a matter to be discussed between my department and the governing bodies. It will be for the governing bodies to make the decisions.

Gas Bill

5.5 p.m.

Consideration of amendments on Third Reading resumed.

[Amendments Nos. 6 and 7 not moved.]

Clause 41 *Annual reports*]:

[Amendment No. 8 not moved.]

Clause 48 [*Interpretation of Part I and savings*]:

Lord Belstead: moved Amendment No. 9:

Page 48, line 45, leave out (" (a) and (c) ") and insert (" (a), (aa) and (c) ")

The noble Lord said: My Lords, I spoke to this amendment with Amendment No. 2, when I also spoke to Amendment No. 3. I beg to move.

On Question, amendment agreed to.

Clause 51 [*Initial Government holding in the successor company*]:

Lord Diamond moved Amendment No. 10:

Page 51, line 26, at end insert ("and without first consulting a committee appointed by him for the purpose of offering advice on the exercise of such powers and the disposal of such securities, and consisting of the holders for the time being of the offices of Governor of the Bank of England, Chairman of the London Stock Exchange, Comptroller and Auditor General, and Public Trustee.")

The noble Lord said: My Lords, this amendment deals with the clause under which the successor

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Qu
BI
HC



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Tim Flesher Esq
Private Secretary
10 Downing Street
LONDON

17 July 1986

Dear Tim.

I enclose a copy of a statement my Secretary of State proposes making this afternoon on the Report by the Scottish Tertiary Education and Advisory Council on a Future Strategy for Higher Education and would be grateful for your clearance.

I am copying this letter to Private Secretaries of members of H Committee and to Michael Stark.

*Yours
Andy.*

ANDY RINNING
Private Secretary

STATEMENT BY THE SECRETARY OF STATE FOR SCOTLAND
THURSDAY 17 JULY 1986
STEAC REPORT

WITH PERMISSION, MR SPEAKER, I WISH TO MAKE A STATEMENT FOLLOWING CONSULTATIONS ON THE SCOTTISH TERTIARY EDUCATION ADVISORY COUNCIL'S REPORT ON A FUTURE STRATEGY FOR HIGHER EDUCATION IN SCOTLAND, WHICH WAS PUBLISHED ON 9 DECEMBER 1985.

FIRST OF ALL I WISH TO THANK THE COUNCIL FOR ITS WORK. ITS REPORT HAS STIMULATED WIDE DEBATE, AND THERE HAS BEEN PARTICULAR INTEREST IN ITS PROPOSALS WITH REGARD TO THE NUMBER OF COLLEGES OF EDUCATION IN SCOTLAND AND FUTURE ARRANGEMENTS FOR THE PLANNING AND FUNDING OF HIGHER EDUCATION. IN THESE TWO IMPORTANT AREAS MY CONCLUSIONS ARE AS FOLLOWS.

THE COUNCIL ENDORSES THE VOCATIONAL CHARACTER OF THE COLLEGES OF EDUCATION AND RECOMMENDS THAT TEACHER TRAINING SHOULD CONTINUE TO BE PROVIDED IN SPECIALIST INSTITUTIONS. I ACCEPT THAT RECOMMENDATION IN PRINCIPLE, WHILE NOT RULING OUT ENTIRELY THE POSSIBILITY OF SOME OTHER ARRANGEMENT IF CIRCUMSTANCES APPEARED TO WARRANT IT. I AGREE ALSO WITH THE COUNCIL THAT THERE IS A VERY REAL PROBLEM OF OVER-CAPACITY IN THE COLLEGES, WHICH MILITATES AGAINST THE BEST USE OF THE AVAILABLE RESOURCES AND WHICH MUST BE REDUCED. THE PRESENT ACCOMMODATION WILL SUBSTANTIALLY EXCEED EXPECTED DEMAND EVEN IN THE 1990S WHEN STUDENT NUMBERS ARE EXPECTED TO INCREASE TO SOME EXTENT. I CONSIDER, HOWEVER, THAT THERE WOULD BE MERIT IN SEEKING TO RETAIN, IF PRACTICABLE, A FAIRLY WIDE GEOGRAPHICAL SPREAD OF PROVISION. I HAVE ACCORDINGLY DECIDED AGAINST CLOSURE OF ANY COLLEGE OF EDUCATION AND I INTEND TO SEEK TO ACHIEVE THE NECESSARY CAPACITY REDUCTIONS IN OTHER WAYS.

I HAVE REACHED THE FOLLOWING DECISIONS:-

- I. THE TRAINING OF PHYSICAL EDUCATION TEACHERS (BOTH MEN AND WOMEN) WILL BE CENTRALISED ON THE SITE OF THE PRESENT DUNFERMLINE COLLEGE OF PHYSICAL EDUCATION, AND ACCORDINGLY THE TRAINING OF MEN PE TEACHERS AT JORDANHILL COLLEGE OF EDUCATION WILL CEASE. DUNFERMLINE COLLEGE WILL ITSELF BE MERGED WITH MORAY HOUSE COLLEGE OF EDUCATION UNDER A SINGLE GOVERNING BODY.

II. ABERDEEN AND DUNDEE COLLEGES OF EDUCATION WILL BE MERGED ON THEIR EXISTING SITES UNDER A SINGLE GOVERNING BODY.

III. THE DETAILED ARRANGEMENTS FOR BRINGING THESE ORGANISATIONAL CHANGES INTO EFFECT WILL BE A MATTER FOR DISCUSSION BETWEEN MY DEPARTMENT AND THE GOVERNING BODIES CONCERNED.

IV. I SHALL EXPECT ALL COLLEGES OF EDUCATION, WHETHER OR NOT DIRECTLY AFFECTED BY THE ORGANISATIONAL CHANGES, TO TAKE EARLY AND STRENUOUS MEASURES TO DISPOSE OF SURPLUS ACCOMMODATION ON ANY OF THEIR SITES, WHETHER FOR EDUCATIONAL OR FOR OTHER USE. THIS WILL REQUIRE THE CO-OPERATION OF THE COLLEGES THEMSELVES, THE LOCAL AUTHORITIES AND OTHER INTERESTS.

V. MY DEPARTMENT WILL UNDERTAKE A FURTHER PROGRAMME OF COURSE RATIONALISATION DESIGNED TO MAKE THE BEST POSSIBLE USE OF MANPOWER AND FACILITIES THROUGHOUT THE COLLEGE OF EDUCATION SECTOR AS A WHOLE, INCLUDING THOSE COLLEGES (CRAIGIE AND ST ANDREW'S) WHICH ARE NOT OTHERWISE DIRECTLY AFFECTED BY THE ORGANISATIONAL CHANGES.

I SHALL REVIEW THE POSITION AGAIN NEXT YEAR IN THE LIGHT OF PROGRESS MADE. I MUST MAKE IT CLEAR THAT, IF OVER-CAPACITY REMAINS A REAL PROBLEM, SITE CLOSURES WILL THEN BECOME INEVITABLE.

I BELIEVE THAT IT WOULD BE APPROPRIATE ALSO, AS THE COUNCIL RECOMMENDED, TO REVIEW THE CONTINUATION OF TEACHER TRAINING AT THE UNIVERSITY OF STIRLING. I SHALL BE DISCUSSING THE MOST SUITABLE FORM OF THIS REVIEW WITH MY RT HON FRIEND, THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE, INVOLVING THE UGC AS APPROPRIATE.

SO FAR AS THE PLANNING AND FUNDING OF HIGHER EDUCATION IN SCOTLAND IS CONCERNED, I ACCEPT THE COUNCIL'S VIEW THAT THERE IS SCOPE FOR IMPROVEMENT IN THE EXISTING ARRANGEMENTS FOR THE PLANNING AND CO-ORDINATION OF PROVISION ACROSS THE UNIVERSITY AND NON-UNIVERSITY SECTORS. I AGREE THAT THERE IS A GAP IN THE PLANNING PROCESS WHICH COULD BETTER BE BRIDGED.

I ACCEPT THE COUNCIL'S REJECTION OF A PLANNING BODY FOR THE PUBLIC SECTOR OF HIGHER EDUCATION ONLY, THE BULK OF WHICH IS IN SCOTLAND DIRECTLY FUNDED BY CENTRAL GOVERNMENT. THE SITUATION IS DIFFERENT FROM THAT OBTAINING IN ENGLAND AND WALES AND A PLANNING BODY FOR THE PUBLIC SECTOR ALONE IS NOT REQUIRED IN SCOTLAND. I AGREE ALSO THAT THE NORTHERN IRELAND MODEL WOULD NOT BE APPROPRIATE.

NEVERTHELESS, IT DOES NOT SEEM SENSIBLE TO PROCEED IMMEDIATELY TO THE ESTABLISHMENT OF AN OVERARCHING PLANNING BODY IN SCOTLAND WITH RESPONSIBILITY FOR THE PLANNING AND CO-ORDINATION OF PROVISION ACROSS BOTH THE UNIVERSITY AND THE PUBLIC SECTORS. LIKE THE COUNCIL I REGARD IT AS IMPORTANT THAT PLANNING MECHANISMS SHOULD BE BACKED BY APPROPRIATE SYSTEMS FOR THE DELIVERY OF RESULTS. I HAVE THEREFORE DECIDED TO DEFER A DECISION ON THE ESTABLISHMENT OF SUCH A BODY UNTIL THE GOVERNMENT CAN FORM A CLEAR VIEW OF THE FUTURE FUNDING ARRANGEMENTS FOR THE SCOTTISH UNIVERSITIES. THIS WILL REQUIRE ADVICE (WHICH HAS ALREADY BEEN SOUGHT) FROM THE COMMITTEE CHAIRED BY LORD CROHAM WHICH IS REVIEWING THE UGC AND ALSO FROM THE ADVISORY BOARD FOR THE RESEARCH COUNCILS. I AM IN TOUCH WITH MY RT HON FRIEND AND HE WILL BE SEEKING THE ABRC'S VIEWS SHORTLY. THE GOVERNMENT WILL CONSIDER THE ADVISORY COUNCIL'S RECOMMENDATIONS IN RESPECT OF PLANNING AND FUNDING ARRANGEMENTS FOR SCOTTISH HIGHER EDUCATION, IN THE LIGHT OF THE FURTHER ADVICE RECEIVED.

I HAVE TODAY GIVEN THE GOVERNMENT'S RESPONSE TO THE ADVISORY COUNCIL'S MANY OTHER DETAILED RECOMMENDATIONS IN A WRITTEN ANSWER TO MY HON FRIEND THE MEMBER FOR RENFREW WEST AND INVERCLYDE.

FINALLY, IN ORDER TO ALLOW TIME FOR DECISIONS TO BE TAKEN ON PLANNING AND FUNDING ARRANGEMENTS, I AM ASKING THE MEMBERS OF THE ADVISORY COUNCIL TO SERVE FOR ONE FURTHER YEAR UNTIL JULY 1987. THIS WILL ALSO ENABLE THE COUNCIL TO COMPLETE ITS REVIEW OF THE SCOTTISH BUSINESS SCHOOL, WHICH THE CHAIRMAN NOW EXPECTS WILL NOT BE POSSIBLE UNTIL LATE THIS YEAR. I SHALL MAKE A FURTHER STATEMENT TO THE HOUSE WHEN DECISIONS ON THE MATTERS OUTSTANDING ARE REACHED.



1935

Prime Minister 2

As you told Mr Knowles, this problem is currently in the ACAS lap. You could raise it at MISE 122 on Monday if you wished.

PRIME MINISTER

10 July 1986

SHORTAGE OF MATHEMATICS TEACHERS

DBJ
10/7

Last week I saw Professor Sir Bryan Thwaites, following his letter of 23 May requesting a meeting.

The major issue which he raised in his paper was the shortage of maths teachers. As if to emphasise the strength of his case, the DES issued a draft discussion document on the day he came to see me and today issued the Consultative Document itself (attached).

Shortage of maths and physics teachers

According to Thwaites, the position of maths in our schools is far more serious than indicated by the Consultative Document.

- The graduate intake in mathematics is now effectively zero, as is the intake of new teachers from any source.
- Mathematics teachers are leaving at a rate far greater than that due to natural retirement.
- For mathematics graduates at age 25, average salaries are roughly double those of teachers.
- Without adequate mathematical back-up, many other subjects crucial to the country's future prosperity will be progressively undermined.

In addition to these points, there are the following:

- Roughly 50% of maths and physics teaching in secondary schools is being given by staff with degrees in different subjects.
- The pupils who suffer most of all are those in the early years of secondary school, which may then bias their choice against science.
- The DES do not publish evidence to show how often a subject is not taught because of a lack of suitable teachers (eg double maths at A Level is probably taught at very few ILEA comprehensives) - but I feel sure HMI would produce some horror stories.

Improving Supply

Thwaites was highly critical of the DES prescriptions for improving the supply (initiatives from employers, ex-Services personnel, qualified teachers returning to teaching, bolstering conversion courses): "Absolutely no new idea at all".

The DES Consultative Document considers everything except the obvious, which is paying (by one means or another) higher salaries for teachers in areas of subject shortage. This is something which Kenneth Baker mentioned explicitly at the press conference, but which is noticeable by its absence from

the Consultative Document, except for a vague reference to giving employers greater freedom, which I take to mean a more flexible interpretation of the use of scales.

Recommendation

Thwaites confirmed the seriousness of the shortage of maths and physics teachers; by comparison to his description of the present crisis as a wartime situation, the DES document is rather bland.

The Secretary of State needs to ensure that teacher shortage is dealt with explicitly in the new ACAS pay structure. This will be resisted fiercely by the unions. Unless, however, one is prepared to tackle a shortage by raising the price, there can be no confidence in solving the problem.

BG.

BRIAN GRIFFITHS

PS: Alternatively, you might suggest to the Secretary of State that he help relieve the shortage directly by releasing some of his 288 statistics and computing staff from Elizabeth House. If these have to be fed by statisticians from the LEAs, he may well be hoarding more qualified staff than the total vacancies of 380 in the whole field of mathematics (see attached)!



CONFIDENTIAL

P 02144

PRIME MINISTER

Specific Grant Powers for Education

[MISC 122(86) 8]

MAIN ISSUES AND DECISIONS

1. The Secretary of State for Education and Science seeks agreement to taking a new flexible power in the Education Bill currently before Parliament to pay specific grants to education authorities.

BACKGROUND

2. The Group have recognised that a fundamental problem in securing change in the education service is the lack of any direct leverage over individual education authorities. At present the Secretary of State has no effective weapon to enable him to promote desirable improvements in, for example, pay structures, or to sanction authorities which fail to enforce teachers' contracts' or fail to secure changes in conditions which form part of a wider pay settlement. The extended use of specific grants, allocated at the Secretary of State's discretion, has been seen as one means of strengthening his hand.

3. At present the Secretary of State may pay only up to 1 per cent of local authority current education spending (worth just over £100m) through specific grants, for the purposes of financing innovative projects and more recently the lunchtime supervision arrangements. There is an understanding that this power will not be used to finance main stream education expenditure.

The Proposal

4. The Secretary of State proposes in MISC 122(86) 8 that he should have a new, open-ended power to make specific grants, with no legislative ceiling on the amount of expenditure. The power will be exercisable through regulations, after consultation with the local authority associations, and would be subject to a affirmative resolution by both Houses. The aggregate amount of grand would be determined in the normal E(LA) discussions.

5. The Chief Secretary and the Environment Secretary oppose the wider use of specific grants in principle. They argue that such grants undermine the general operation of the block grant system and cut across the principle of local accountability which underlies the Green Paper on rates reform. But this only serves to highlight the Government's dilemma. The education service is provided by local authorities; but of all the local services education is the one in which the Government has the clearest policy objectives of its own, and for which the Secretary of State is held responsible by the general public. Any system short of centralising education is bound to involve a degree of divided responsibility between local education authorities and the Secretary of State for the management and financing of the service.

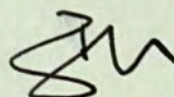
6. In practice much will depend on what proportion of education spending is to be funded by the proposed grant. The Secretary of State proposes an unlimited power and suggests no particular initial level of grant. Many of the objections might be overcome by specifying a figure - say 5 per cent, though this would be for discussion - which would make it clear that the main responsibility for financing the service - and hence for securing value for money - rested with the local authority while giving the Secretary of State considerable influence at the margin to secure compliance with the Government's policy objectives. The greater the percentage, the greater the damage to the existing RSG

systems, and the greater the Secretary of State's power vis a vis local authorities. The Group may wish to explore what level the Education Secretary believes would be sufficient to give him leverage, while meeting as many of the concerns of the Environment Secretary and Chief Secretary as possible. The present paper is somewhat thin on the precise purposes to which an increased specific grants flexibility would be put.

7. The paper is thin too on how the Secretary of State would envisage exercising his responsibilities in practice. If specific grants were to be an effective lever, he would clearly need to be able to form a view on the performance of each education authority in meeting the Government's objectives: and will no doubt have to be able to satisfy the courts that his decisions had been made on the basis of reliable evidence and after consultation with the authorities. All existing main stream grants to local authorities are allocated by reference to objectively measured criteria, and it would be a significant departure to base the funding of a substantial part of a core service (as opposed to pilot schemes or innovative projects) on a grant allocated by discretion. These issues will require much further consideration: unfortunately time is tight if the powers are to be introduced in the Education Bill this month. The Secretary of State might be asked to consider urgently in consultation with the Treasury and the Department of the Environment how the DES would operate a power in practice, and what resources would be needed for this.

HANDLING

You will wish to invite the Education Secretary to introduce his proposals. The Chief Secretary, Treasury and the Environment Secretary will wish to respond. The Lord President will have views on the Parliamentary handling.



J B UNWIN

1 July 1986
Cabinet Office



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Sir Patrick Mayhew QC MP
 The Solicitor General
 Law Officers Department
 Royal Courts of Justice
 LONDON WC2A 2LL

27 June 1986

Jan Rahad

MSPM

EDUCATION BILL: POLITICAL INDOCTRINATION

Thank you for your letter of 24 June about Clause 39 of the Education Bill. It was helpful for Willie Whitelaw and me to have the opportunity to discuss this with you at the meeting called by Willie yesterday afternoon. While we both had much sympathy with the points you raised, the conclusion of our discussion was that an amendment would not materially improve the Clause and for pressing tactical and procedural reasons the best course was to let it stand.

I am copying this letter to the Prime Minister, the Lord President, the Lord Chancellor, the Lord Privy Seal, the Secretaries of State for Wales, Northern Ireland and Scotland, the Parliamentary Secretary to the Treasury and to Sir Robert Armstrong.

Hunter
Hunter

EDUCATION P.T.S: JUNE 1986
POLICY ON EDUC. EXP.

Cabinet urged to agree open-ended powers to fund maths and science push

Baker seeks central control over spending

by Bidy Passmore

Mr Kenneth Baker, the Education Secretary, is pressing his Cabinet colleagues for open-ended powers to control education spending direct from the DES.

He wants to insert an amendment into the Education Bill now going through Parliament, enabling him to start using the new powers next year for priorities such as teacher appraisal schemes and extra money to offer senior posts to maths and science specialists.

The amendment would remove the ceiling on the proportion of education spending that can be financed through education support grants. These are grants from the DES which cover 70 per cent of a scheme's cost. The ceiling was originally 0.5 per cent of local education spending, but was recently raised to 1 per cent to pay for council deals on lunchtime supervision.

If his Cabinet colleagues let him go ahead, Mr Baker would short-circuit the work of an inter-departmental group of officials which is drawing up long-term plans for changes in specific grants. DES representatives on this group are thought to favour financing

DES, had had it ready for some time.

The plan is to be discussed within the next fortnight by a Cabinet committee chaired by the Prime Minister. The amendment would have to be tabled in time for the Education Bill's Report Stage, expected at the end of July.

If his Cabinet colleagues decide to let him proceed with the idea, Mr Baker's plan is certain to cause dismay in local government. But, assuming that he presented the proposed new grants as extra money, the proposal would stand a good chance of getting through the Commons.

Opposition might be greater in the Lords, where the local government lobby is very strong, but it seems doubtful that the peers would risk a head-on confrontation with the Government over the issue.

Meanwhile, it looked as though the idea of equal representation for parents and teachers on school governing bodies was being scrapped as the Bill made it way through Committee stage in the Commons.

DES ministers stood firm last week in refusing to accept amendments that would have given teachers the same number of seats as parents. Under the Bill, they would only get one or two seats compared with between two and five for parents.

Ministers also rejected amendments giving pupils seats on governing bodies, which means that existing pupil governors in 11 authorities will have to disappear.

Even an amendment moved by Mr Clement Freud, Liberal education spokesman, that would have made pupils non-voting members failed to find favour with the Government.

The Government did make one important concession this week, however. Ministers will amend the Bill at Report Stage to give governors the power to co-opt a parent to the governing body where a parent governorship is vacant. The Bill currently gives that power to the local education authority.

● The Government's proposed new clause on political indoctrination, which would replace three amendments inserted by the Lords, was expected to be debated by the Commons Committee on the Bill yesterday.

It says I.e.a.s, governing bodies and heads should forbid "the pursuit of partisan political activities by any of those registered pupils at the school who are junior pupils"; and "the promotion of partisan political views in the teaching of any subject in the school".

Maths and science teacher crisis, page 3

up to 15 per cent of local education spending in this way.

The Education Secretary is believed to have the support of the Prime Minister for his plan. She feels that, if education is to get more money, it should be spent on Government priorities rather than disappearing into the bottomless pit of general council spending.

Less certain is the support of Treasury and Environment ministers.

Mr Baker himself was opposed to more specific grants while he was Environment Secretary. However, he has quickly espoused the cause of greater central control of funding in his new role. If he had not, he would not have been able to offer an extra £20m in direct grants for the GCSE.

The idea of giving the Education Secretary open-ended powers to fund education directly is believed to have arisen at a ministerial meeting to discuss the future of the Burnham Committee.

Mr Baker suggested that it would be quicker and easier to introduce changes into the teachers' salary structure through specific grants and was asked to produce a paper fleshing out the idea. He produced one within 24 hours. It is thought that Sir David Hancock, permanent secretary at the

Note of cost and friends Burrell's Sarah Ferry proceeds w

L fo

A Northam granted leg High Court the impend middle sch

Mrs Jill would be ge school in S when a cou of the scho that she ap Mr Peter D her chance legal aid.

Mr Dixon legal aid wo of other law had a case t inadequate a full report committee. yesterday.

He said th tried for leg down. "Mrs private pers own name o was doing parents wou application is granted."

Kings He unemploye earlier this w staying for meals.

Fighting a

THIS WEEK



01-405 7641 Extn

Prime Minister. [Ⓢ]

Few arguments. There are no
new arguments here, but you
may like F be aware of the
continuing opposition to the "balance"
amendment from the S.A. Gen and
Parliamentary Counsel. MEAT 25/6

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

24 June 1986

The Rt Hon Kenneth Baker QC MP
Secretary of State for Education
and Science
Elizabeth House
York Way
LONDON S E 1

MT

Dear Kenneth:

EDUCATION BILL : POLITICAL INDOCTRINATION

Parliamentary Counsel has written to me about
Clause 39 of the Bill, which requires a balanced presenta-
tion of opposing views whenever political issues are
brought to the attention of pupils. I attach a copy of
his letter and of Clause 39.

I agree with him that the Clause is fundamentally
unsound. Three features of the Clause concern me:

- (a) It is not clear what the reference to "balance" in
the phrase "a balanced presentation of opposing
views" means, and whether it makes sense. I cannot
believe that the Clause as drafted introduces a
workable test.
- (b) Because the requirement for "balance" is mandatory,
the Clause could give a legitimate foothold to
extremist views. For example, if a teacher presents
the argument that tolerance of racial minorities is
a good thing, does he have to balance this with the
views of the National Front and of black extremists,
who are both opposed to toleration?
- (c) As Parliamentary Counsel points out, the Clause
would oblige a teacher to present "opposing" views

/even



even when what has been brought to the attention of pupils is not a set of views but the mere existence of a political issue. It could therefore serve to introduce controversy where none exists at present.

These features make the Clause seriously defective.

Apart from its potential for aiding extremists and fostering controversy, the Clause would cause serious difficulties for teachers who try to observe its requirements and for judges who need to interpret it in court. The possibility must be faced that in practice large numbers of teachers would simply fail to have regard to it. The Clause attempts to regulate a sensitive subject: its defects can only be detrimental to public attitudes regarding the law.

I am deeply conscious of your political difficulties, but I must not conceal my views from you. It is not easy to see how the Clause can be improved by amendment; but I consider that the Government's own New Clause, which was prepared during the Bill's passage through the Lords and which spoke of political issues having to be "dealt with in a responsible manner" would at least be an improvement on Clause 39 as it stands. You will probably know that I expressed criticism of that New Clause to your predecessor in office in a letter of 19 May. Although that criticism still stands, I believe that if it is impossible for political reasons to remove Clause 39 from the Bill altogether it would at least mitigate the damage to seek to amend it in line with the New Clause. (copy attached).

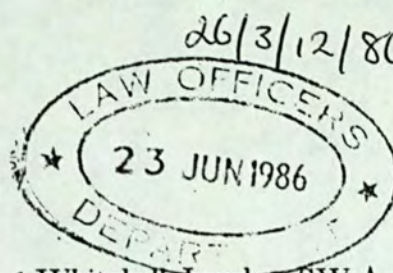
I am copying this letter to the Prime Minister, the Lord President, the Lord Chancellor, the Lord Privy Seal,

/the



the Secretaries of State for Wales, Northern Ireland and
Scotland, the Parliamentary Secretary, Treasury, and
Sir Robert Armstrong.

Sans ena,
Edith



MCD
23/6

Office of the Parliamentary Counsel 36 Whitehall London SW1A 2AY
Telephone Direct line 01 210 6620
Switchboard 01 210

The Rt Hon Sir Patrick Mayhew QC MP
Royal Courts of Justice
Strand
LONDON WC2

20 June 1986

Dear Sir,

EDUCATION BILL

I have been told that the Secretary of State has decided not to attempt to remove clause 39 from the Bill.

The government had no choice while the Bill was in the Lords but to assist in adding this piece of nonsense but I had hoped that a robust attempt would be made to delete it in the Commons. However, for fear of what might happen when the Bill returns to the Lords, it is to stay.

The clause says that when a political issue is brought to the attention of pupils they should be offered a balanced presentation of opposing views. In the government's original version the duty was to ensure that political issues were dealt with in a responsible manner. That was indeed lamentably vague but it did at least make sense. Now the duty will be to offer a balanced presentation of opposing views whenever a political issue is brought to the attention of pupils.

The obvious objection is that any view which is expressed to pupils will have to be balanced by an opposing view if it can be said to touch on a political issue. Less obvious, perhaps, is that the clause will oblige a teacher to present opposing views even when what has been brought to the attention of pupils is not a set of views but the mere existence of a political issue.

The clause is so manifestly absurd that it cannot possibly be complied with in practice. It could well cause unpredictable trouble - particularly if it is generally ignored as being unworkable.

As the Bill is now in the Commons I thought that I ought to let you know what is happening on this front. I shall be writing to the department to express my views as forcefully as I can, but experience has taught me that they are likely to be ignored.

E G CALDWELL

*Yours sincerely,
Edward Caldwell.*

POLITICAL INDOCTRINATION

Draft new clause - fourth version

BEFORE CLAUSE 37

Insert the following new Clause-

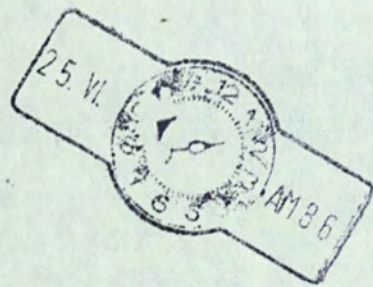
("Duty to
secure
responsible
treatment
of political
issues.

. The local education authority by whom any county,
voluntary or special school is maintained, and the governing body
and head teacher of the school, shall take such steps as are
reasonably practicable to secure that where political issues are
brought to the attention of pupils while they are-

(a) at the school; or

(b) taking part in extra-curricular activities which are
provided or organised for registered pupils at the
school by or on behalf of the school;

those issues are dealt with in a responsible manner.")



PART III

person should cease to work at the school, to consider their recommendation ;

- (d) for both the governing body and the head teacher to have power to suspend any person employed to work at the school where, in the opinion of the governing body or (as the case may be) the head teacher, his exclusion from the school is required ; and
- (e) for it to be the duty of the governing body, or head teacher, when exercising that power—
 - (i) to inform the local education authority and the head teacher or (as the case may be) governing body forthwith ; and
 - (ii) to end the suspension if directed to do so by the authority.

(2) In this section "suspend" means suspend without loss of 15 emoluments.

(3) This subsection applies to any person who is employed—

- (a) in a post which is part of the complement of the school in question ; or
- (b) to work solely at the school in any other post, otherwise than solely in connection with either or both of the following—
 - (i) the provision of meals ;
 - (ii) the supervision of pupils at midday.

School premises

School premises.

38. The articles of government for every county and maintained special school shall provide—

- (a) for the use of the school premises at all times other than during any school session, or break between sessions on the same day, to be under the control of the governing body ;
- (b) for the governing body to exercise control subject to any direction given to them by the local education authority.

PART IV

MISCELLANEOUS

Duty to secure balanced treatment of political issues.

39. The local education authority by whom any county, voluntary or special school is maintained, and the governing body and head teacher of the school, shall take such steps as are reasonably practicable to secure that where political issues are brought to the attention of pupils while they are—

- (a) at the school ; or
- (b) taking part in extra-curricular activities which are provided or organised for registered pupils at the school by or on behalf of the school ;

they should be offered a balanced presentation of opposing views.

file

DA

SUBJECT CCMASTER



bcc BG 2

10 DOWNING STREET

LONDON SW1A 2AA

23 June 1986

From the Private Secretary

Dear Rob,

EDUCATION POLICY

The Prime Minister this afternoon discussed education policy with your Secretary of State. Professor Brian Griffiths was also present.

Mr. Baker said that the Secretary of State for Employment would be announcing national extension of TVEI at the beginning of July. This initiative had been a major success, though of course there had been disappointments in some areas. A standard syllabus was slowly emerging. He wished himself to announce, probably at the Party Conference, the creation of 12-20 technical schools which would each take in about 500 children. The schools would be directly funded by DES. The aptitude of children would be tested before admission and there would be thorough interviews with parents. All the schools would be in inner cities. They would be funded by a contract with DES and would receive per capita the same amount as would have been provided for the children by the local education authorities. Funding for the LEAs could not however be reduced, at least for the first two or three years, in order to minimise opposition. The schools would be managed by trusts, and the objective was to bring in private capital. The curriculum would be set by the DES. The aim would be to have the first schools operating by September 1987. A paper on the proposal was in preparation.

Continuing, Mr. Baker said that if schools of this kind could be created they would open the way to wider establishment of schools funded on a per capita basis by contracts. In areas outside inner cities there could be some fee element. It would also be an objective to encourage more church schools.

Mr. Baker said he would be issuing a draft circular about school closures shortly. This would encourage local authorities to prepare closure plans. However, closures were politically difficult. His aim was to agree a scheme

allowing local authorities greater use of receipts from school closures with the Chief Secretary before a final circular was issued. An inquiry into the process of school closures would also be announced shortly.

On teacher quality, your Secretary of State pointed to the importance of high quality head teachers. He aimed to set up a staff college for head teachers which would be financed from within the Department's budget. There was a desperate shortage of maths and physics teachers. The solution would not be found only by extra money. New teachers could be attracted for example from the armed services and an approach which had been made to Rotary Clubs by Surrey had achieved some success in attracting businessmen to teach.

On other matters, Mr. Baker said that he would shortly be issuing a circular on sex education. Work was also in hand on ways of ensuring that children met particular standards of attainment, for example by requiring an ability to read particular lists of books at particular ages. Mr. Baker also said that the position of universities should be sustainable over the next two to three years, though a somewhat higher level of funding would be required. It was his intention to try to expand polytechnics. The North Staffordshire Polytechnic was a particularly good example of what they could achieve. The Prime Minister at this point expressed particular concern at the domination of polytechnics by local education authorities and Mr. Baker undertook to consider this point. On student support, Mr. Baker noted that one possibility would be to convert all or part of the grant and the costs of tuition into a guaranteed loan to all those who met the required standards, who would then choose the institution with which they would spend this money. As in the United States, employers might then wish (or be required) to redeem the loan or some proportion of it, when they took on a new employee. Dr. David Owen had floated a similar idea earlier in the year. It should be possible further to increase participation rates in the next few years.

Mr. Baker said that the ACAS talks were moving ahead. There could be a substantial price tag, perhaps as much as 20-30%. He was himself moving in favour of some form of review body or advisory committee for teachers' pay and conditions.

The Prime Minister said she was most encouraged by the range and interest of the ideas under discussion.

Jan,
David

Rob Smith, Esq.,
Department of Education and Science.

(David Norgrove)

SECRET



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

cc BG

CONFIDENTIAL

The Rt Hon John MacGregor OBE MP
Chief Secretary
HM Treasury
Parliament Street
LONDON
SW1P 3AG

ABBA

23 June 1986

Pamie Minister 2
Def
23/6.

mt

Dear John,

ADDITIONAL RESOURCES FOR GCSE: SCOTTISH IMPLICATIONS

I was very interested to note Kenneth Baker's announcement on 10 June of a package of additional resources in the current financial year to support the introduction of GCSE in England and Wales. The announcement came as a surprise to me and to my officials.

I am very glad that the announcement appears to have swung the balance in favour of GCSE going ahead on Kenneth Baker's timetable. There is no doubt that we in Scotland are also in need of resources which education authorities can apply to our examination reforms. The teachers' unions in Scotland have made opposition to Standard Grade, largely on resource grounds, a central plank of their dispute and in consequence we have had to agree that the traditional Ordinary Grade examinations should continue to be available for the time being at the same time as the new Standard Grades. The programme of implementation continues however and Standard Grade is widely agreed to be the right pattern for the future, with its emphasis on a more relevant and skills oriented curriculum.

I was therefore particularly interested to learn that £15 million of the resources announced by Kenneth Baker represent a net addition to education authority relevant expenditure in England and Wales and will attract Government grant at 70%. I will not be in a position to seek final decisions about the funds which should be available to education authorities in Scotland for our examination reforms until the outcome of the Main Inquiry into teachers' pay and conditions is known. But I hope that the pressures on Scottish authorities will be fully recognised at that stage.

I have a more immediate concern over the £5 million which is to be provided by the Manpower Services Commission in the form of 100% grants to local authorities to purchase equipment for science and technology in schools, again in the current financial year. I am most concerned at the suggestion that this money should only be available within England and Wales in support of GCSE. If the MSC accept the need for such grants in England and Wales, as a GB body they should in logic accept a similar obligation to Scotland, where the justification is every bit as strong. An innovative new Standard Grade course in Computing Studies is being introduced this summer; and the availability in Scotland of a pro rata share of the

£5 million would have an important impact on the ability of education authorities to offer the course and on its likely take up. I hope therefore that David Young can agree to the scheme being extended to Scotland.

I am copying this letter to the Prime Minister, David Young, Kenneth Baker, Nicholas Edwards, Paul Channon and Norman Tebbit.

Yours ever,
Malcolm

MALCOLM RIFKIND

EDUCATION
Policy
PTV



CONFIDENTIAL

PRIME MINISTER

MEETING WITH THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE
MONDAY 23 JUNE

I would suggest that you start with schools and then move on to higher education.

SCHOOLS

After having visited schools and met teachers and administrators (DES and local authority) in the past few months my personal view is that the major priorities are the need to raise the morale of the teaching profession, impose clearer standards and disciplines on the curriculum and teaching method, strengthen the voluntary sector, develop greater management freedom for individual schools and improve the quality of certain school buildings. All of these changes affect all schools and can be embarked on before the election.

Morale of the teaching profession

ACAS you have already discussed at MISC 122.

- Apart from pay and conditions of service, what other measures are proposed to improve the morale of teachers?
- Might not the leadership of the profession (heads, deputy heads, heads of subjects, years, and sixth form) benefit from the establishment of a staff college? Could not this be done fairly cheaply by drawing on existing foundations? (e.g. the C of E)
- Would there be value in encouraging the setting up of a General Teachers Council as a professional body to balance the teacher unions?

CONFIDENTIAL

E. R.
CONFIDENTIAL

Curriculum

- GCSE introduces grade criteria in order to tell us something about the absolute standards of candidates ("criterion-referencing") rather than relative standards between candidates ("norm-referencing") which is used at present: but I gather that progress is slow? (See lecture by Keith Joseph in Annex)
- Would there not be real merit as well as great appeal to parents in strengthening grade criteria by national core syllabuses in basic subjects?

TVEI and NCVQ

- Better technical education is clearly vital: but I am very concerned how far the TVEI and NCVQ initiatives are really raising standards? (I gather in confidence that HMI also have their concern.) Are present developments closing this gap between us and West Germany? As you know research in this area has emphasised the rigour of the Germany curriculum compared to this country? Do TVEI and NCVQ really produce a tough curriculum?

Strengthening the voluntary sector

- When the present Education Bill becomes law what proposals do you have for encouraging the conversion of voluntary controlled schools to voluntary aided status?
- Proposals for new grant-aided schools and technology-plus schools?
- Might a major initiative be launched jointly with the voluntary sector later in the year which involved raising private money and company support?

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CONFIDENTIAL

Management of schools

- What can be done to devolve greater management freedom from LEAs to the individual school?
- How successful are the experiments in Cambridgeshire and Solihull?

16+

- I know that the DES is attracted to sixth form and tertiary colleges and has been pressing ministers? I am not convinced educationally because of the effect on schools of removing sixth forms. What is happening?

School buildings

- The potential for spending is enormous: how do you propose to discriminate between the various demands?
- How much of this extra spending could be financed by savings? (as recommended by the Audit Commission)

Radical options

Where have we got to?

HIGHER EDUCATION

- How many universities are under threat of closure?
- What steps are you taking to ensure that
 - (a) they are implementing the recommendations of the Jarrett report?
 - (b) that they take positive action to deal with the recent UGC assessment?

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CONFIDENTIAL

- What do we do about those institutions which fail to adapt?
How can you introduce new management?

- Political interference by local authorities with the academic and administrative work of polytechnics gives me great cause for concern (see attached note). Is there not a case for giving poly's corporate status with a much greater involvement by the business community?

RH

BRIAN GRIFFITHS

22 June 1986

CONFIDENTIAL

PRIME MINISTER

I enclose correspondence which apart from showing the inefficiency of the DES (which might simply be an accident) also shows the seriousness of the present situation - in that the Director of the Manchester Poly was prepared to write to the DES in such strong and despairing tones.

MB

Griffiths

BRIAN GRIFFITHS

22 June 1986

PC *Does not show this*
to the Sec. of State.

Manchester Polytechnic

Director K Green BA MA

From the Director

All Saints
Manchester M15 6BH
Telephone 061-228 6171

5 June 1986

Mr R Bird
Deputy Secretary
Department of Education & Science
Elizabeth House
York Road
London
SE1 7PH

In February of this year the Secretary of the Polytechnic wrote formally to the Permanent Secretary of the Department with a query concerning the interpretation of the Polytechnic's Instrument of Government. A copy of the Secretary's letter is enclosed, together with a copy of the Instrument and Articles.

Despite a reminder sent in March, requesting a response in time for the Governor's March meeting, no reply was sent from the Department until 21 May. As you will see from the enclosed copy, this reply was in the form of a standard acknowledgement which implied that the Secretary's approach had been concerned with a proposed amendment to the Instrument.

Before the reply had been received, the matter at issue had been pursued further by the Governors at their meeting on 23 May, and on the same day the Secretary, acting in his capacity as Clerk to the Governors, wrote again to the Permanent Secretary. As you will see from the enclosed copy of that letter, it is now a formal request from the Governors that the Secretary should obtain for them the Department's view on the interpretation of the Instrument.

From the standard acknowledgement of the Secretary's earlier letter, there appears to be a danger that the approach from the Polytechnic Governors may be treated as a routine submission concerning the Instrument. I feel you should be alerted to the fact that this is not the case, and indeed that there is considerable strength of feeling in the Governing Body on this issue and that the matter has a certain political background. The person put forward by the Governors as a Co-optative Governor is Mr Norman Morris, a former Leader of the City Council, who had served previously as a local authority representative on the Governing Body since 1977 and who had been Chairman of the Governing Body since 1979. On the expiry of his term of office as a local authority representative, it was the wish of the Governors that he should fill a vacancy as a Co-optative Governor from the field of

education, Mr Morris having formerly been a member of the Department of Education of the University of Manchester and a long-standing member of Manchester Education Committee.

The nomination was not approved by the City Council, but the Governors, after due consideration, resolved to renominate Mr Morris. It is understood that the Education Committee of the authority has now deferred consideration of this renomination pending the receipt of legal advice. In this situation, the Governors felt that they must for their part also seek advice as to the interpretation of the Instrument.

I attach for your information relevant extracts from the minutes of the Governing Body. These will give some indication of the feeling engendered by this issue, though they do not of course record all of the specific comments made, including a suggestion that the authority's decision resulted from a political witch-hunt. You may also be interested to see the enclosed copy of an item from the Manchester Evening News.

An existing Co-optative Governor (from the field of commerce) indicated in the course of discussion that he might feel obliged to write to the Secretary of State about his own position on the Governing Body, since he felt the circumstances which had arisen pointed to the possibility that a Governor whose views were thought to be contrary to those of a particular political grouping might well not be re-appointed for a further term of office.

The issue is now seen by the Governors as one of principle, and genuine concern is felt that, if the local education authority can reject a nomination made by the Governing Body for a Co-optative Governor, the authority could also decline to appoint anyone duly nominated, elected or appointed under any of the other categories set out in the relevant clause of the Instrument. This concern was heightened by the recent delay in the appointment by the authority of three Governors elected by the non-academic staff.

I think it important that the Department should be fully aware of these issues, and I hope that it will be possible for a response to be sent in time for the Governors' next meeting on 27 June. If you believe it would help I would be pleased to come down to London to discuss the whole matter with you.

I look forward to hearing from you.

Yours sincerely

c.c. Director
Mrs C H Sargent

12 February 1986

The Permanent Secretary
Department of Education & Science
Elizabeth House
York Road
London SE1 7PH

Dear Sir

Appointment of Co-optative Governors

I enclose a copy of the Instrument and Articles of Government of the Polytechnic, and refer to clause 3 of the Instrument concerning the appointment of Governors.

Clause 3(g) states that Co-optative Governors are to be nominated by the Governors, but the introductory wording of clause 3 indicates that members of the Governing Body are appointed by the local education authority.

The Governors recently made a nomination for the appointment of a Co-optative Governor. This nomination was made at the end of November but has not yet been approved by the local education authority, and I understand that the authority has now asked for legal advice as to whether or not it has the power to reject a nomination from the Governors.

I believe it will be a matter of concern to members of the Governing Body should their nomination not be accepted, and in those circumstances the Polytechnic officers would almost certainly be asked for advice as to whether or not the local education authority has acted correctly and within its powers. At the request of the Director, I am therefore writing to ask for your comments on this issue.

I would emphasise that the local education authority has not yet taken a final decision on the nomination, but in the light of concern already expressed by some Governors at the possible course of events it appears prudent to seek your comments before matters proceed further.

Yours faithfully

ROY/SNW



Department of Education and Science
Elizabeth House York Road London SE1 7PH

Direct Line 01-934-9496
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GTN Number 2914

Telex 23171

RO 400 ESQ BA
SECRETARY
MANCHESTER POLYTECHNIC
ALL SAINTS
MANCHESTER
M15 6BH

Your reference RO4/PA

Our reference GT352/8709/06

21 May 1986

Dear Mr Yeo
MANCHESTER POLYTECHNIC

I am writing to apologise for the delay in our consideration of the proposed amendment to the Instrument/~~Articles~~ of Government of the above named institution which were submitted in February 1986

The delay has been caused by recent staff changes and a re-organisation of responsibilities within the Branch which has caused a back-log of cases to build up. We are attempting to clear this as soon as possible and will be contacting you again in due course.

Yours sincerely

PP *W Smith*
MISS C HIRST
Further and Higher
Education Branch III

b/f 16/6 4 no
earlier
response.

c.c. Director
Mrs C H Sargent

23 May 1986

The Permanent Secretary
Department of Education & Science
Elizabeth House
York Road
London SE1 7PH

Dear Sir

Instrument of Government

I wrote to you on 12 February and 17 March 1986 about an issue which had arisen concerning the nomination of a Co-optative Governor, but unfortunately have not received any acknowledgement or reply. However, I have now been formally requested by the Governors of Manchester Polytechnic to pursue with the Department of Education & Science the question of the interpretation of the Polytechnic's Instrument of Government, which they see as fundamental to the issue concerned.

A further copy of the Instrument and Articles of Government is enclosed. You will see that clause 3(g) of the Instrument states that Co-optative Governors are to be nominated by the Governors, while the introductory wording of clause 3 provides that members of the Governing Body are approved by the local education authority.

Last November the Governors made a nomination for the appointment of a Co-optative Governor. After some delay, the local education authority received in March not to agree to the proposed nomination.

When this was reported to the Governors at their March meeting, considerable concern was expressed at the local education authority's decision not to accept a nomination duly made by the Governors in accordance with the Instrument of Government. The concern centred around the constitutional question of whether or not the local education authority could refuse to appoint a person proposed as a member of the Governing Body in accordance with any of the clauses detailed in clause 3 of the Instrument.

The Governors resolved to renominate the person previously proposed, and it is understood that the local education authority has deferred a decision on this renomination in order to obtain legal advice.

In these circumstances the Governors have now asked (as indicated above) that I should obtain for them the Department's view as to the interpretation of the Instrument, specifically on the question whether the local education authority has the power to refuse to appoint a person duly proposed as a Governor under the provisions of clause 3. While the present issue relates to a proposed Co-optative Governor, the question of principle could of course apply to a person duly nominated, elected or appointed under any of the categories set out in that clause.

Cont'd . . .

... Cont'd

I should be grateful if I could receive the Department's reply in time for me to report to the next meeting of the Governors on 27 June.

Yours faithfully

ROY/SMW

MANCHESTER POLYTECHNIC

EXTRACTS FROM MINUTES OF GOVERNING BODY

1. 21 March 1986

Governors were reminded that, at their meeting on 22 November 1985, they had nominated Mr Norman Morris as a co-optative Governor from the field of education to serve for the unexpired portion of Professor Blyth's term of office, namely from 1 January 1986 to 1 December 1987. This nomination had been put to the City Council on 12 March 1986, but the Council had resolved not to agree to the proposed nomination of Mr Morris as a Governor of the Polytechnic.

It was further reported that the City Council had re-appointed Councillor J A MacCarron and Councillor E D G Robinson to serve as nominees of the North West Associated Education Authorities in accordance with clause 3(b) of the Instrument of Government for a term of office of three years expiring on 17 February 1989.

Arising from the report of the decision of the Local Education Authority not to agree to the proposed nomination of Mr Morris as a Governor of the Polytechnic, an extensive discussion took place in the course of which considerable concern was expressed at the decision not to accept a nomination duly made by the Governors in accordance with the Instrument of Government. The concern centred around the constitutional question of whether or not the Local Education Authority could refuse to appoint a person proposed as a member of the Governing Body in accordance with any of the clauses detailed in clause 3 of the Instrument. It was noted that no reason had been given for the Authority's decision and, while it was not accepted by all members that the Local Education Authority had the right to reject a nomination, other members considered that the Authority could reject a nomination which it considered to be unsuitable. Reference was made to the legal position and to the possible need to seek clarification of the provisions of the Instrument of Government.

It was pointed out that a good relationship had existed in the past between the City and the Polytechnic and concern was expressed that this might be upset over an issue which, it was suggested, should not be resolved on the basis of personalities but as a constitutional matter.

RESOLVED

that Mr N Morris be renominated for appointment to the Governing Body as a co-optative Governor in the field of education in accordance with the provisions of clause 3(g) of the Instrument of Government for the unexpired portion of Professor Blyth's period of office, namely 1 January 1986 to 1 December 1987.

2. 23 May 1986

A report (GB/86/18) was submitted which set out the position with regard to membership of the Governing Body as follows:

Dr K L Jones, a trade union co-optative Governor in the field of art and design appointed in accordance with clause 3(g) of the Instrument of Government, had resigned from the Governing Body on 3 April 1986 as he had taken up a new post in the South of England. The North West Regional Council of the TUC had been requested to make a proposal for an appointment to fill this vacancy.

The period of office of the three Governors, being members of the non-academic staff, elected by the non-academic staff as a whole to serve on the Governing Body had expired on 20 April 1986. Accordingly Mr A Dove, Mr P Mackenzie and Mr J D M Karczewski-Slowikowski had ceased to be members of the Governing Body on that date in accordance with clause 3(f) of the Instrument of Government.

The non-academic staff had elected Mr A Dove, Mr P Mackenzie and Mrs D B Soye to serve as members of the Governing Body in accordance with clause 3(f) of the Instrument of Government for a three year period of office commencing on 21 April 1986. The nominations had been conveyed to the Chief Education Officer for submission to the Education Committee, but the local education authority had not made a decision upon them, although a decision might be made by the Education Committee at its meeting on 22 May 1986.

The re-nomination of Mr N Morris to serve as a co-optative Governor in the field of education in accordance with clause 3(g) of the Instrument of Government had been conveyed to the Chief Education Officer for submission to the Education Committee. The local education authority had not yet made a decision on it although a decision might be made by the Education Committee at its meeting on 22 May 1986.

Arising from paragraph 3 of the report it was reported that the Education Committee at its meeting on 22 May 1986 had confirmed the appointment of the three non-academic staff members to the Governing Body. Concern was expressed at the delay in effecting these appointments and at the consequent lack of continuity in non-academic staff representation on the Governing Body and its committees.

Arising from paragraph 4 of the report it was reported that the Education Committee at its meeting on 22 May 1986 had deferred taking a decision on the re-nomination of Mr N Morris to serve as a co-optative Governor in the field of education pending the receipt of legal advice from the Town Clerk.

RESOLVED

- (i) that Mr J D M Karczewski-Slowikowski be thanked for his contribution to the work of the Governing Body;
- (ii) that the Education Committee be advised of the concern of the Governing Body at the delay in the appointment of the three non-academic staff members of the Governing Body;
- (iii) that advice be sought from the Department of Education and Science on the legal interpretation of the Instrument of Government with regard to the constitutional question of whether or not the local education authority can refuse to appoint a person proposed as a member of the Governing Body in accordance with any of the clauses detailed in clause 3 of the Instrument.

A FRIEND DROPPING IN

Manchester Evening News

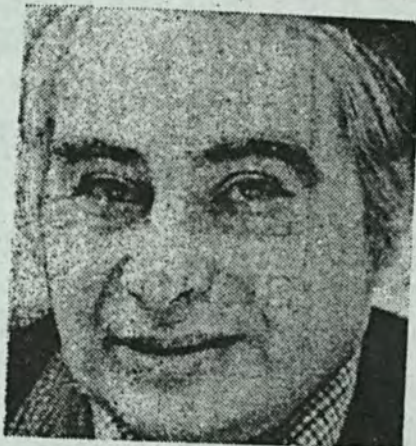
EXTRA

36,310

BRITAIN'S BIGGEST REGIONAL NEWSPAPER

THURSDAY, MARCH 13, 1986

18p



Norman Morris

Ex-Poly boss snubbed

By Gerald Brown

LABOUR hardliners in Manchester have refused to allow Mr Norman Morris, former chairman of the city's Polytechnic, to stay on its governing body.

Mr Morris, aged 72, is a widely respected educationist and a former Labour leader of the city council.

He lost his place when the Labour left voted 43-17 at the city council against a moderate Labour move which would have reversed a decision against his co-option to the polytechnic governors.

Labour Coun Sally Shaw said the

decision was unprecedented. "This will cause great damage to the relationship between the council and the Polytechnic."

She said Mr Morris had been a member of the governors for more than 20 years and, under his leadership, the college had grown to be probably the largest in the country.

"Can we be told why he is unsuitable?" she asked.

Mrs Shaw added that the Polytechnic governors wanted Mr Morris to stay on.

Labour Coun Gordon Conquest said: "This has happened not for edu-

cational reasons — but for political ones."

He said the explanation they had been given was that when Mr Morris was leader of the city council he had cut services, especially resulting in pupil rations declining.

Liberal leader Coun David Sandiford claimed there were no proper grounds by which Mr Morris could have been ejected.

The vote was called without the Labour leadership replying.

Mr Morris said later he believed he was the victim of a witchhunt by the hard left. "They want their nominees in control of everything," he claimed.

INSIDE



Life in the raw

Centre pages

WIN

Firms on the rack over a ruin

By Ray King THE BOSSES of two

Murder in city field

THE CASE FOR CORPORATE STATUS FOR POLYTECHNICS

There are sound reasons of efficiency for allowing polytechnics and other large local authority institutions having much greater control over their own management. The local authority processes are frequently inappropriate for the needs of higher education and duplicate at considerable cost the internal processes of the institutions.

It is, however, the political interference of local authorities with the academic and administrative work of polytechnics that gives the greater cause for concern. At a recent private meeting with the Secretary of State, the Polytechnic Directors gave numerous examples of the ways in which polytechnics are being required to take actions that are contrary to the interests of their polytechnics because of political direction and pressure by their local authorities. The following are a few examples:

1. The unwillingness of a local authority to allow the disciplining of students who had taken part in actions against outside speakers.
2. A number of polytechnics being prevented from ordering certain newspapers.
3. The refusal of a number of local authorities to allow the advertising of appointments in certain newspapers and educational supplements.
4. Polytechnic libraries being prevented from ordering books published in countries having regimes of which the local authorities disapprove.
5. Local authorities dealing directly with staff and students of polytechnics without involving or even informing the management.
6. The refusal of a local authority to allow polytechnic rooms to be let to particular political groups.

A solution to this problem would be to grant polytechnics corporate status. The management and financial control of the polytechnic would then be the responsibility of the Governing Body. The Governors could be appointed to a polytechnic by the DES following nominations by Industry, Commerce, the Professions, and a number of local authorities in the region served by the polytechnic. The polytechnic could then be financed either directly from Central Government or by earmarked grants to the local authority. This kind of arrangement would mean that the polytechnic rather than the local authority would be the employer of its own staff and would own its own buildings. More importantly, the polytechnic would be insulated from overt political interference and capricious local authority decisions.



Prime Minister (2)

CC/BG

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

To note that Mr Baker will not
be seeking to overturn the amendment
on indoctrination. DES will also be
carrying forward with a further
amendment on freedom of speech
in higher education, to fulfill its
commitment to the joint in the Lords.

16 June 1986

Alan Klumatt

MEM 16/6

mt

EDUCATION BILL: POLITICAL INDOCTRINATION

Thank you for your letter of 13 June. I am grateful to you for reporting the position reached in the Commons on the political indoctrination amendments to your Education Bill and I am content with your proposed handling of the provisions.

I am sending a copy of this letter to the Prime Minister, the Lord Chancellor, the Lord Privy Seal, the Secretaries of State for Wales, Northern Ireland and Scotland, the Solicitor General, the Parliamentary Secretary, Treasury and Sir Robert Armstrong.

[Handwritten signature]
[Handwritten signature]

The Rt Hon Kenneth Baker MP

EDUCATION Policy PT8



010

ncbg



SP

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 PC CH MC
Lord President of the Council
68 Whitehall
LONDON SW1

13 June 1986

Dear Willie,

I write to report on the position we have reached in the Commons on the political indoctrination provisions inserted in the Education Bill in the House of Lords. Copies of the relevant clauses - 16 and 39 - are attached.

In the Second Reading Debate I had to declare my position on both clauses and I said that my intention was to leave both in the Bill. This leaves us free to propose technical improvements and I intend that clause 16 should be amended in Committee to make it fit properly with the Bill. I continue to believe that we would not succeed in substituting for clause 16 the Government amendment tabled, but not moved, at Lords Report. Clause 39 was also strongly supported in the Lords. Although its emphasis on balance risks giving Marxists a platform, I judge that many of our supporters in the Commons want to retain it. So I intend to keep it as now drafted.

I am sending copies of this letter to the Prime Minister, Quintin Hailsham, Malcolm Rifkind, Nicholas Edwards, John Biffen, Tom King, Patrick Mayhew, John Wakeham and Sir Robert Armstrong.

Worren
Hamst

School curriculum

Duty of local education authority to state policy.

- 16.—(1) It shall be the duty of every local education authority— 15
- (a) to determine, and keep under review, their policy in relation to the secular curriculum for the county, voluntary and special schools maintained by them ; and
 - (b) to publish, and keep up to date, a written statement of that policy. 20

(2) In discharging their duty under subsection (1) above, an authority shall consider, in particular—

- (a) the range of the secular curriculum ; and
- (b) the balance between its different components.

(3) It shall be the duty of every local education authority, governing body and head teacher to forbid the pursuit of partisan political activities in their primary schools as part of school life, whether in their schools or elsewhere. 25

(4) It shall be the duty of every local education authority, governing body and head teacher to forbid the promotion of partisan political views in the teaching of any subject in any of their schools. 30

(5) In carrying out their functions under this Act or any other enactment, a local education authority shall have regard to their policy in relation to the secular curriculum for their schools, as expressed in their statement. 35

MISCELLANEOUS

Duty to secure balanced treatment of political issues.

39. The local education authority by whom any county, voluntary or special school is maintained, and the governing body and head teacher of the school, shall take such steps as are reasonably practicable to secure that where political issues are brought to the attention of pupils while they are— 40

- (a) at the school ; or
- (b) taking part in extra-curricular activities which are provided or organised for registered pupils at the school by or on behalf of the school ; 45

they should be offered a balanced presentation of opposing views. PART III



File

SA

10 DOWNING STREET
LONDON SW1A 2AA

From the Principal Private Secretary

13 June 1986

Thank you for your letter of 12 June.

Our secretaries have already spoken about this, but I now write to confirm that the Prime Minister will very gladly agree that your meeting with her should be postponed. Next week's diary is, as it happens, extremely difficult.

Please let me know when you will be ready to see her.

N L WICKS

The Lord Rothschild, G.B.E., G.M., F.R.S.

SA



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

FROM THE SECRETARY OF STATE

12 June 1986

R14

Jan Margaret

Many people have been concerned about whether the GCSE can be effectively introduced this September. I wish to reassure you that this can be successfully achieved.

The GCSE examination will improve standards of performance in secondary schools. It will be:

- a single system of exams with a single scale of grades
- a test not only of memory and the orderly presentation of facts but also practical skills and the ability to apply knowledge.

The GCSE is recognised within the world of education as a major step forward. It will stretch the able and reward achievement at every level of ability. I attach a leaflet about it.

Since it was announced in 1984, there has been a massive planning and preparation exercise. All of the planned programme is in place. Over 270 syllabuses have now been approved: many of these are now in the schools, which have had draft syllabuses for many months; the rest will be in the schools by the end of June.

The training of teachers has begun in nearly all schools. In addition, we have enabled all schools to close for two days this term for training.

But are there enough resources for this year?

- the Government has so far directed £9.7m to training
- the local education authorities plan to spend this year at least an estimated £40m on books and equipment
- I announced on Tuesday that £20m of new money would be made available for books and equipment this year.

/£5m will be

cc: BGE
D. Mr. Naylor - BSE
Z. Prime Minister.
Attaches letter
that has gone to all
English MPs.
MEM 16/6

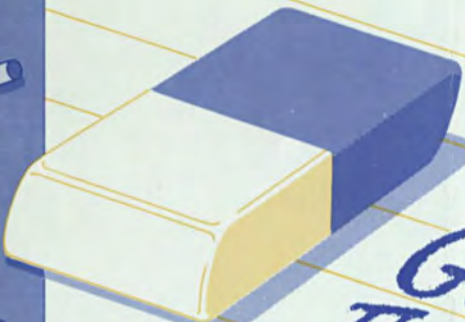
£5m will be made available through the Manpower Services Commission for scientific and technological equipment. The other £15m will be paid through Education Support Grants with central government contributing 70 per cent of this sum. The rest comes from local authorities. This is all new money for the education service.

This all amounts to nearly £70m this year including the money for training - an average of about £120 a pupil. In addition, the Government has already announced that at least £20m of spending on books and equipment for the GCSE will be supported through Education Support Grants in the next two financial years.


I am sure that this total commitment both by Government and by the local authorities will be recognised and welcomed by parents and by teachers. I hope everyone will now play their full part so that the GCSE will be successfully introduced this September in the interest of all the pupils involved.

Tom Ives

Kenneth



GCSE
The new exam
system at
16-plus



The illustration features a white notepad with yellow horizontal lines on a blue background. On the notepad, there is a blue and white eraser, a yellow pencil, and a blue horizontal line. The text 'GCSE The new exam system at 16-plus' is written in a blue, cursive font. The background is decorated with various blue icons of school supplies like a hammer, pencil, and ruler.

The General Certificate of Secondary Education

1 What is GCSE?

GCSE is the new examination which is to replace GCE O-level, CSE and Joint 16-plus examinations. The standards expected will be at least as high as in these existing examinations.

2 When will GCSE come in?

- The first GCSE courses will begin in September 1986.
 - The first GCSE examinations will be taken in summer 1988.
 - From summer 1988 onwards, O-level and CSE examinations will no longer be available.
- Most pupils who have entered secondary school since September 1983 are likely to take GCSE.

3 What's new about GCSE?

- It will be a single system of examinations, with a single scale of grades. Candidates will no longer have to choose between O-levels, CSE and Joint 16-plus examinations.
- The examinations will test not only memory and orderly presentation of facts but also understanding, practical and other skills, and the ability to apply knowledge.
- All GCSE courses and examinations will follow nationally agreed guidelines, known as the 'national criteria'. These will cover course objectives, content and assessment methods. The aim will be to help pupils to benefit as much as possible from their studies.
- The performance of candidates will be measured against defined yardsticks. The 'national criteria' will be extended as soon as practicable to include 'grade criteria'. These will spell out what pupils will need to know, understand and be able to do in order to achieve a particular grade in a subject.

This means:

- 1 pupils and teachers will have clearer goals to aim at;
 - 2 employers and colleges will have a much better idea than at present of what candidates have achieved.
- Five groups of examining boards will set the examinations and award grades, instead of the 20 examining boards which now do so separately.

4 How will GCSE be fair to candidates of differing abilities?

The new examinations will be designed to demand more of able candidates than of less able candidates and to award grades accordingly. Within each subject there will be a choice of papers or questions, which will give candidates of all abilities the opportunity to show what they understand, know and can do. Teachers will be able to guide pupils on which papers and questions to attempt.

5 How will GCSE grades compare with existing grades?

Successful candidates will be awarded grades on a single scale from A to G. Grades A to C will have standards at least as high as O-level grades A to C and CSE grade 1. Grades D to G will have standards at least as high as CSE grades 2 to 5. The basis for awarding grades will change after the introduction of 'grade criteria'. But the grade titles, A to G, will remain the same, and the broadly equivalent grades will continue to be:

O-level	GCSE	CSE
A	A	1
B	B	
C	C	
D	D	2
E	E	3
	F	4
	G	5

Unsuccessful candidates will, as now, be ungraded and will not receive GCSE certificates.

6 Will employers and others know about GCSE certificates?

Yes. Between now and 1988 the Government, employers' organisations and the education service will take special steps to inform employers and other users about the new examinations.

7 Who will be able to take GCSE?

Anyone, of any age, whether studying in a maintained school, an independent school, a further education college or privately.

continued overleaf

8 What will be done to help the first candidates for GCSE?

As now, they will have a two-year course to prepare for the examinations. Their teachers will receive special training. In addition, many candidates will take mock GCSE examinations before the GCSE examinations proper.

9 How many subjects will a pupil be able to take?

Pupils will be able, with the guidance of their teachers, to choose how many and which subjects to take at GCSE.

10 Will it be possible to take GCSE in more than one sitting?

Yes.

11 Will it be possible to resit GCSE examinations?

Yes.

12 What about Distinction and Merit Certificates?

The Government has proposed that Distinction and Merit Certificates should be awarded to candidates who gain good grades in a defined range of subjects. The aim is to encourage the abler pupils, in particular, to pursue broad and balanced courses. Decisions will be announced later.

13 What will happen to O-level and CSE certificates?

O-level and CSE certificates will continue to be awarded until replaced by GCSE certificates in the summer of 1988. Employers, colleges and others who use examination results will know that only O-level and CSE certificates will be available until GCSE is introduced in 1988.

14 Are GCE A-levels or the proposed AS levels affected by these plans?

No.

15 How can I find out more about GCSE?

Schools and colleges will be able to give further information as the plans for GCSE are developed. For those professionally concerned with examinations, the Government will be publishing the 'national criteria' and a general introduction to GCSE early in 1985.

LORD ROTHSCHILD

Telephone: 01-280 5000

Telex: 888031



N.M. Rothschild & Sons Ltd.

New Court

St. Swithin's Lane

London EC4P 4DU

12th June 1986

Dear Mr Wicks,

I have now had a chance to think carefully about the questions attached to your recent letter and have concluded that it would not be possible for me to answer them by June 18, though I intend to answer them. In these circumstances I do not imagine that the Prime Minister, given the pressure to which she is subjected, will want to see me. Please let me know.

*Yours
Rothschild*



010

cebb
✓
mr

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

1 (To be aware before Cabinet tomorrow.)

PRIME MINISTER

DWS 11/6.

I thought that I should put on record my thanks to you and to the Chief Secretary for enabling me to announce additional support for the introduction of the GCSE. As I made clear in the House, we now look to the teachers to play their full part in making a success of the new examination system; the additional funding will be of enormous value in the discussions I am having with both teachers and local authorities, and will enable us to build on the foundations which Keith laid.

2. I am sorry that it was in the event not possible to couple an announcement on GCSE with further help for primary schools: I shall of course want to give continuing attention to primary education in carrying our policies forward.

3. I remain convinced that we must also act quickly on capital expenditure for schools this year, if we are to obtain electoral benefit. I am including a substantial bid for local authority capital in my PES letter but work flowing from programmes starting in 1987-88 will not come on stream soon enough to make the difference that I am looking for. I shall be discussing this further with the Chief Secretary and in particular the possibility of increasing capital spending this year in return for a reduction in my bid for local authority capital in 1987-88.

4. I am copying this minute to the Lord President and to the Chief Secretary.

k.s.

KB

Department of Education and Science

11 June 1986

ow

CONFIDENTIAL

CCBG



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

10 June 1986

Dear Jill

NBPN

The Lord President held a meeting this morning with the Secretary of State for Education and Science and the Chief Secretary to discuss expenditure on education. After a brief discussion, it was agreed that, in the course of his Second Reading speech on the Education Bill this afternoon, the Education Secretary could announce extra provision in the current financial year of £20m to ease the introduction of the GCSE examination. This sum would include £5m of MSC money, as previously discussed.

The remainder would be subject to a special Education Support Grant, at the usual rate of 70 per cent. It would be necessary to consider carefully how the money could best be directed to achieve maximum benefit across the country. The Education and Chief Secretaries agreed to have further private discussion on the details of the proposal. The Education Secretary was hopeful it would be sufficient to secure that the two teachers' unions concerned dropped their boycott on preparation for the new examination. To this end he would do all he could to stress the value of the additional provision.

A request by the Education Secretary for additional money this year for primary schools to spend on books and equipment was not accepted.

Provision for increased capital expenditure by education authorities on the school estate was discussed. The Education Secretary had in mind an extra £30m over the current financial year. If this could be made available he thought he would be able to contain the additional bid he would have to make for 1987/88 to £100m instead of £150m. An injection of funds this year would have the added advantage of enabling work to start in the autumn and be reflected in next year's report by HM Inspectorate of Schools.

The Chief Secretary was very concerned about the proposal, for a number of reasons. Apart from adding to the already severe pressures on the reserve, it was not readily distinguishable

Jill Rutter
Private Secretary to the
Chief Secretary

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from the general run of PES discussions - unlike the GCSE additional expenditure, which was clearly urgent. The Lord President too expressed reservations: there was something to be said for the Government not rushing its fences. It was agreed that the question should be looked at again after the Chief Secretary had had time to consider the Education Secretary's PES bids.

I am sending a copy of this letter to David Norgrove (No 10), Rob Smith (DES), and Brian Unwin (Cabinet Office).

Yours sincerely
Nick Gibbons

mm

JOAN MACNAUGHTON
Private Secretary

CONFIDENTIAL



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

FROM THE SECRETARY OF STATE

Ms Jill Rutter
Private Secretary to the
Chief Secretary of the Treasury
Parliament Street
LONDON SW1P 3AG

Prime Minister 2

See paras 38-40.

10 June 1986

RLS

10/6.

Dear Jill

In the light of the discussions between the Lord President, the Chief Secretary and my Secretary of State this morning, I attach for information the text which Mr Baker will use in his speech on the Second Reading of the Education Bill this afternoon. This announces the extra £20 million for GCSE which was agreed at the meeting.

I am copying this letter to the Private Secretaries to the Prime Minister, the Lord President, the Secretary of State for Employment, ~~and~~ the Secretary of State for Wales and the Secretary of State for the Environment.

Yours sincerely
Shirley Tindle

PP R L SMITH
Private Secretary

CCQ
BG
V.Prem

RLS

mt

31. I WOULD NOW LIKE TO TURN TO THE QUESTION OF THE INTRODUCTION OF THE GCSE. MY PREDECESSOR ANNOUNCED IN 1984 THE GOVERNMENT'S INTENTION TO GO AHEAD WITH THE REFORM OF THE SCHOOL EXAMINATION SYSTEM AT 16+, AND THAT DECISION WAS WELCOMED BY VIRTUALLY EVERYONE CONCERNED WITH EDUCATION IN OUR SCHOOLS.

32. SINCE 1984 THERE HAS BEEN SYSTEMATIC AND THOROUGH PLANNING FOR THE INTRODUCTION OF THE NEW EXAMINATION SYSTEM; PUPILS WILL BEGIN THEIR GCSE COURSES IN SEPTEMBER OF THIS YEAR AND THE FIRST EXAMINATIONS WILL BE TAKEN IN THE SUMMER OF 1988.

33. WE HAVE MADE IT CLEAR THAT THE PURPOSE OF THE GCSE IS TO RAISE STANDARDS. THE EXAMINATIONS WILL BUILD ON, AND SO REINFORCE, WHAT IS GOOD IN THE CURRICULUM IN EACH SUBJECT. THEY WILL BE DESIGNED TO HELP ALL PUPILS - THE LOWER ATTAINERS, THE AVERAGE, THE ABOVE AVERAGE, THE ABLEST - TO SHOW ACHIEVEMENT IN POSITIVE TERMS.

34. SOME PEOPLE HAVE EXPRESSED ANXIETY ABOUT THE AVAILABILITY OF GCSE SYLLABUSES. I AM GLAD TO TELL THE HOUSE THAT THE SECONDARY EXAMINATIONS COUNCIL HAS TO DATE APPROVED 271 SYLLABUSES. ALL SUBJECTS AND ALL EXAMINING GROUPS ARE WELL COVERED. MANY OF THESE HAVE REACHED THE SCHOOLS AND THE REMAINDER ARE FOLLOWING IN A STEADY FLOW; ALL ARE EXPECTED TO BE IN SCHOOLS THIS MONTH.

35. TRAINING FOR THE NEW SYSTEM IS VITAL. WE HAVE COMMITTED £10 MILLION TOWARDS IN-SERVICE TRAINING FOR THE GCSE; AND WE HAVE ALLOWED SCHOOLS TO CLOSE FOR 2 TRAINING DAYS THIS TERM. WE WILL SEE THAT OUR FUTURE ARRANGEMENTS FOR IN-SERVICE TRAINING FULLY REFLECT THE IMPORTANCE OF THE GCSE.

36. AND OF COURSE PUPILS NEED BOOKS AND EQUIPMENT. WE HAVE ALREADY SAID THAT WE WILL PAY EDUCATION SUPPORT GRANTS IN SUPPORT OF EXTRA BOOKS AND EQUIPMENT FOR THE GCSE: UP TO TOTAL EXPENDITURE OF £10 MILLION IN 1987-88, AND AT LEAST A FURTHER £10 MILLION IN 1988-89.

37. OVER AND ABOVE THE SUBSTANTIAL PROVISION WHICH HAS ALREADY BEEN MADE, I HAVE BEEN CONSIDERING WHETHER IT WOULD BE RIGHT TO PROVIDE ADDITIONAL RESOURCES FOR BOOKS AND EQUIPMENT FOR GCSE COURSES. LOCAL EDUCATION AUTHORITIES HAVE ALREADY BUDGETED TO SPEND SOME £40 MILLION ON BOOKS AND EQUIPMENT FOR THIS PURPOSE. AS ONE EXAMPLE, MY OWN AUTHORITY - SURREY - DECIDED LAST MONTH TO SPEND £1 MILLION TO SUPPORT THE INTRODUCTION OF THE GCSE.

38. SO RESOURCES HAVE ALREADY BEEN PROVIDED BY LOCAL EDUCATION AUTHORITIES; BUT I AM SATISFIED THAT IN ADDITION TO THE FUNDS WHICH HAVE ALREADY BEEN COMMITTED, A FURTHER INCREASE IN EXPENDITURE IS NEEDED. I HAVE BEEN CONSIDERING THIS CAREFULLY AND I HAVE DECIDED THAT A FURTHER £20 MILLION ON BOOKS AND EQUIPMENT SHOULD BE SPENT IN THE CURRENT YEAR. THIS IS NEW MONEY FOR THE EDUCATION SERVICE OVER AND ABOVE PRESENT PLANS. £15 MILLION WILL BE AN ADDITION TO RELEVANT EXPENDITURE FOR LOCAL AUTHORITIES IN ENGLAND AND WALES AND WILL BE SUPPORTED BY EDUCATION SUPPORT GRANT AT THE RATE OF 70%. GRANT-RELATED EXPENDITURE WILL BE RAISED TO TAKE ACCOUNT OF THE 30% CONTRIBUTION MADE BY LEAs. MY RT HON AND NOBLE FRIEND THE SECRETARY OF STATE FOR EMPLOYMENT IS MAKING £5 MILLION AVAILABLE THROUGH THE MANPOWER SERVICES COMMISSION FOR THE PROVISION OF SCIENTIFIC AND TECHNOLOGICAL EQUIPMENT.

This answers your question about the effect on LEAs.

39. THE HOUSE WILL RECOGNISE THAT IN PROPOSING TO USE THE MECHANISM OF EDUCATION SUPPORT GRANTS I AM GOING BEYOND THE UNDERTAKING OFFERED BY MY RT HON FRIEND, THE MEMBER FOR LEEDS NORTH EAST LAST DECEMBER TO KEEP EXPENDITURE FOR EDUCATION SUPPORT GRANT APART FROM MIDDAY SUPERVISION WITHIN THE ORIGINAL CEILING OF 0.5 PER CENT. THE CONSEQUENCES OF WHAT I AM PROPOSING TODAY WILL TAKE THE EXPENDITURE BEYOND THIS FIGURE BUT WITHIN THE CEILING OF 1% PERMITTED BY THE ACT, ~~SUBJECT TO THE NECESSARY CONSULTATION AND REGULATIONS.~~

40. THE ADDITIONAL EXPENDITURE NOW PROPOSED AMOUNTS TO OVER £4,000 PER SECONDARY SCHOOL AND OVER £30 FOR EVERY FOURTH YEAR PUPIL. IT DEMONSTRATES THE GOVERNMENT'S COMMITMENT TO THE SUCCESSFUL INTRODUCTION OF THE NEW EXAMINATION SYSTEM. TAKING ACCOUNT OF THE £10 MILLION BEING MADE AVAILBLE FOR TRAINING THIS YEAR AND THE £40 MILLION WHICH LOCAL AUTHORITIES HAVE COMMITTED ^{IN} ~~TO~~ THEIR BUDGETS, A TOTAL OF SOME £70 MILLION IS NOW BEING TARGETTED TO THE INTRODUCTION OF THE NEW EXAMINATION. THIS REPRESENTS A VERY SUBSTANTIAL COMMITMENT BY BOTH CENTRAL AND LOCAL GOVERNMENT. I AM CONFIDENT THAT OUR DECISION WILL BE WELCOMED NOT ONLY BY LOCAL EDUCATION AUTHORITIES AND BY PARENTS BUT ALSO BY THE TEACHERS. I NOW LOOK TO THE TEACHERS TO MATCH THE GOVERNMENT'S COMMITMENT BY TAKING THEIR FULL PART IN THE REMAINING PHASES OF TRAINING FOR THE NEW SYSTEM AND BY GIVING THE NEW EXAMINATION THE BEST POSSIBLE START IN SEPTEMBER.

41. MAKING GCSE A SUCCESS IS IMPORTANT, BUT EVEN MORE IMPORTANT IS TO MAKE A SUCCESS OF SCHOOL EDUCATION AS A WHOLE. THE BILL CREATES THE CONDITIONS WHICH WILL POWERFULLY PROMOTE THIS OBJECTIVE - BY STRENGTHENING THE POSITION OF THE SCHOOL, INCREASING THE INFLUENCE OF PARENTS, AND PROMOTING EFFECTIVE TEACHING - THAT IS WHY IT IS IMPORTANT, IT DESERVES A SECOND READING,

FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.

CEB



HOUSE OF LORDS.
LONDON SW1A 0PW

10 June 1986

NBP

Dear Willie:

Report of HM Inspectorate in Wales

at 11.15 PM

Nicholas Edwards had copied to me his letter of 30 May on the 1984-85 Report of HM Inspectorate in Wales. I have noted the arguments for publication, in particular the conclusion that the Government could expect more adverse publicity if the Report were not published. I am bound, however, to point out that the production of a "more balanced and wide-ranging document", as suggested by Nicholas Edwards, could easily be presented as a decision to suppress publication of the reports of HM Inspectorate. It would be most unfortunate if we were to give this impression to our opponents, as we shall be inviting them in effect to draw the worst of inferences. *If we were to publish a doc't.*

both ways. I am sending copies of this letter to the Prime Minister, other members of the Cabinet, and to Sir Robert Armstrong.

Yrs:

The Right Honourable
Viscount Whitelaw CH MC
Lord President of the Council
Privy Council Office
68 Whitehall
London
SW1A 2AT

EDUCATION Policy PTB



B.R.
SUBJECT
cc MASTER

NOTE FOR THE RECORD

EDUCATION

The Prime Minister this morning met Mr. Baker with the Lord President to discuss Mr. Baker's proposals for increased education spending ("Education - Changing Public Perceptions", letter of 2 June).

The Prime Minister later reported this conversation to the Chief Secretary. Mr. Baker had said he had had no dealings with the press until his interview with the "Today" programme yesterday morning, in which he had emphasised that any increases in resources for GCSE would be "modest". He was entirely behind the MTFs objectives. He thought it was important to offer something now in order to raise morale. But with falling school roles it should be possible to reduce education spending in 2 years' time. Indeed he intended to make proposals that education spending should fall in 2 years' time.

The Prime Minister said she had indicated that she expected the Chief Secretary to be sympathetic to the idea of providing some extra resources for GCSE this year. But everything else would need to go through the full Survey process. The Prime Minister had indicated to Mr. Baker that she had invited the Chief Secretary to work up a scheme which would allow increased use of new receipts from the sale of schools.

The Chief Secretary was glad to hear the Prime Minister's account of the conversation. At a meeting with the Chief Secretary after that with the Prime Minister Mr. Baker had continued to push all his proposals, including particularly the proposal for extra spending on primary school books and £10 million for Church schools.

D.N.G.

DAVID NORSGROVE

6 June 1986

CC 35



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Nicholas Edwards MP
 Secretary of State for Wales
 Gwydyr House
 Whitehall
 LONDON
 SW1A 2ER

NBM.

6 June 1986

Dear Nick,

HMI REPORT

at Hay PTF.

Thank you for copying to me your letter of 30 May, containing your proposals on the handling of the attached report by HM Inspectorate in Wales.

I share your view that it would be difficult not to publish the document now that the equivalent English document has been published. In my view you have done an excellent job in bringing about a better and fair kind of presentation, and it has certainly been worth the time and thought you have given to it.

I share your misgivings about the publication of these reports in their present form. Some of what they say about the need for improved management and teaching quality is very helpful, but they do tend to give the impression that all that matters is to spend more, with scant recognition either of the substantial increase in expenditure per pupil which has already taken place or of the importance of getting better value for money for each pound spent.

One might have hoped that the Inspectorate would have seen it as part of their task to explore whether value for money was being achieved from that increase before implying that further increases were needed. I therefore support your suggestion that the possibility of moving to a more balanced publication should be examined. I hope that Kenneth Baker will also consider the case for changing the parallel English report along similar lines.

I am copying this letter to the Prime Minister, other members of the Cabinet, David Swinton, and to Sir Robert Armstrong.

Yours ever,

JOHN MacGREGOR

EDUCATION Policy P18



TELLEX

THE BROADCAST REPORTING SERVICE

REPORT

Prime Minister 4

*The Baker is very keen
that you should see this.*

mt

*DNV
6/6.*

BAKER'S FIRST

RUSH

ORDER NO: 48

For : DEPARTMENT OF
EDUCATION & SCIENCE

PAUL DOVEN

Prog: TODAY

Service: BBC RADIO 4

Serial: 60312/BE

Date: 5.6.86

Time: 0630 Duration: 8mins30secs

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JOHN TIMPSON:

Today, a delegation from the Parent Teachers Association, will meet the Secretary of State for Education, Kenneth Baker, to voice their concern, about the GCSE examination courses, which are due to be introduced this autumn. You may have heard me talking an hour ago, to their Deputy General Secretary, James Hammond. Well, with me now is the Education Secretary, and this, I think, is Mr Baker's first interview since he was appointed, so welcome, and congratulations.

KENNETH BAKER:

Thank you very much. Well such is the esteem, in which I hold your programme, that this is the first time I'm speaking as it were, as Secretary of State for Education and Science.

J.T:

I'm sure that esteem is universally held amongst your colleagues Mr Baker, thank you.

K.B:

Fine, could I say something about the GCSE first. First that this is not an exam that the Government is imposing, it's an exam which virtually, everybody in the educational world wants. It was announced by Keith Joseph, in 1984, and then he set out to timetable, and there's been an unprecedented amount of planning in this exam, much more than for the O levels and the CSE, and every date in that timetable, has been met so far, by the Government, and by the examinations councils. So that's good news.

What this exam will do, and I don't think many parents quite understand it, what the object of this exam is to do, is to raise the standards of learning, for the able, for the average, and the not so able, so that's why I think it's very important to get on with it, and get it into place.

J.T:

I think you're quite right, that everybody is keen to go

ahead, including Mr Hammond, but he did raise a number of points, of concern, which perhaps I could pass on to you? First of all, he was worried about inadequate funding, he said that the amount which was required, was nearer a £100 million than the £20 million that has been allocated by the Government, and he gave a specific case, for instance, in Hampshire, where they're going to spend £200,000 this year, which is less than £10 per GCSE pupil, and text books for English alone, cost £8 a head, so manifestly, there's a big gap to be covered.

K.B:

Yes, just on resources, first it's not true that all existing school books are going to be out of date, as a result of the new exams. For example in History, the new exam isn't going to teach that the Battle of Hastings, took place in 1067, a lot of the existing text books are going to be there, the core of learning doesn't change. But we do accept that there are more resources that are needed, we've made resources available, £10 million for training, for example, the Government's made available. My predecessor announced £20 million for books in the next two years; and of course the Local Authorities are spending more themselves. My own, Surrey, for example when they got some of the money which I recycled when I was Environment Secretary, through the late ground rate support grant system, they got an extra million, and that all went straight into books for GCSE.

J.T:

But they still feel that more is needed..

K.B:

Yes well that's why I'm seeing the Parent Teachers, this afternoon, and I'm seeing the Local Authorities Association next week. I'll be able to make then, a realistic assessment of what the extra cost will be.

J.T:

So, a more realistic assessment, sounds optimistic from their point of view?

K.B:

Well, I am prepared to accept the fact, that some modest extra amount is available. But let me emphasise modest, because I'm under enormous pressure to provide money for all parts of the school system..education system, and such money as I will be able to spend, I want to see it targetted, I want to get value for that money. If I'm going to give, I want to get something for it, I want to get an improvement in the educational system, and the educational standards in our country, for that.

J.T:

Sounds a fair deal, as far as....

K.B:

Just on one thing, I don't believe that postponement of this exam is an option. There are many schools, deeply into now, the organisation, I had a letter from Croydon yesterday, the Director of Education, writing to all parents, saying don't be alarmed, there is no cause for concern, the arrangements are well in hand, for the successful introduction, of this GCSE examination, and many teachers are having extra training; and if we have now a change..it's like the old army saying, order, counter order, disorder.

J.T:

You've quoted the good news for Croydon, but Mr Hammond was quoting the bad news from other Authorities, where they are behind and where the state of readiness of the teaching force is not as high as the official figures, they say in some cases, only 25% are being trained.

K.B:

Well, on the training, training has certainly picked up since Easter. I don't know when his survey was done, but again I've got evidence from various Local Authorities, that they've allocated the two days this term, some are taking the weekend of the 27th June to the 30th June, for their two extra days

training; and a lot is happening, at the place that it ought to be happening, in the schools.

J.T:

And what about the distribution of syllabuses, this was another point he said, it is important that they should get those around, so at least parents know what they're choosing?

K.B:

That's a very fair point, and I was up in a school in Bolton last Thursday afternoon, and sure enough as I went in, the television cameras were there.... well Mr Baker, where are the syllabuses?... these syllabuses don't exist.... and all the rest of it, and I was in one of the classes, a class teaching Craft Design Technology which is now very important in schools, thank heavens, and I asked the teacher, have you got these syllabuses? And he opened a cupboard and he produced five syllabuses, and there they were, on technical design, on engineering, on computers..he had them, and he said we've had them for several months and we're implementing them, and planning the courses, and lessons for the next year, on these lines.

J.T:

Well, again, you've quoted the good news there, but I'm sure Mr Hammond will quote places where cupboards are still bare.

K.B:

Well this is...let me hear what he says this afternoon, because, the evidence that I've got from my inspectors, and from my officials, is that this is simply not the case, and certainly, in my own experience. In the schools that I've visited, and the teachers I've talked to, syllabuses do exist, and indeed, they've existed in draft form now for a year, and so it has been possible to do the planning.

J.T:

Well it sounds a promising afternoon for Mr Hammond and his colleagues, can I just turn to two other apparent changes of

course, that have occurred since your appointment Mr Baker, it now seems that you're going to allow schools, an independent appeal, when young vandals or thugs are expelled and Local Authorities re-instate them, you're now going to allow, school governors to question that decision?

K.B:

Yes I think that's an important thing, I think I find strength from the position of Head Teachers and Government bodies in this respect. The Bill comes up in the House next Tuesday, and that Bill's important because it gives parents much greater power on governing bodies, it gives them equal standing, and I think that's important.

J.T:

Is this a right out of Poundswick, is this the sort of...?

K.B:

It is one of the aspects of it, certainly. But I also want to do, one of the things I'm very keen to do, is to get more business people on governing bodies. You know industrialists always say, you know, the schools aren't turning out the sorts of youngsters we can employ. I often say to industrialists, well alright, if you say that to me, when did you actually last spend a bit of time in a school? When did you actually go around and talk to teachers and youngsters, and see what is happening?..and so I'd like to....some businessmen do this, let me say that at once, I'm not criticising them, but I would like to see more active involvement by business people in the actual educational system.

J.T:

And the other apparent change of course, is that I gather the Government are not going to oppose a ban on partisan political activities in schools, although they did oppose it in the Lords, when that amendment came.

K.B:

Well that was an amendment that was moved in the Lords, and I don't intend to oppose it when it comes to the House of Commons, it's in the Bill now, and I think once again, parents don't want their children to go to school to be indoctrinated in a Party political way. Of course children are very alive and alert to current affairs, as you can see, in the interests of things like Sports Aid, and Bob Geldof, and Southern Africa. But it's no part of education systems, for kids to be indoctrinated in a Party political way, so I'm re-inforcing the law in that regard...and of course there's one other thing that I've done, I've given a very clear signal on sex education, where we have accepted...not accepted but actually put forward an amendment, so that there's a greater emphasis on the importance of family life and the relationship of people, not just the sort of teaching of the physical mechanics of sex, but the importance of personal relationships, very important.

J.T:

And just one other signal, which possibly people are waiting for, we heard Mr Norman Tebbit, saying a couple of days ago that people were not anxious to have more money spent on education, but merely anxious to have the money spent more effectively. Is that your view, or do you feel that, more money is needed?

K.B:

Well I think some people do feel that more money is needed, that's fairly clear, as representation has been made to me in the last few weeks. But I think what people want, is a better education system, above all, and by that, I think they want a better standard, and better quality in teaching. We've got some marvellous teachers, let me say that at once, marvellous teachers, they do a marvellous job. But there are some, as the recent inspectors report said, which are not very good, and that's why, I'm putting in to very high priority, more money for

the training of teachers, and for the in service training of teachers.

J.T:

Mr Baker, thank you.

Kue

MS

bc BG ✓

SUBJECT ce MASTER



10 DOWNING STREET

From the Private Secretary

5 June 1986

Dear Jill,

EDUCATION CAPITAL RECEIPTS

The Prime Minister this afternoon discussed with the Lord President, the Chancellor of the Exchequer and the Chief Secretary proposals which had been made by Mr Baker for increased education expenditure.

During the course of this discussion the Prime Minister expressed strong support for proposals which would enable local authorities to use receipts from the sale of underused schools to increase their expenditure on school improvements and maintenance. The Chief Secretary explained that under the present legislation receipts from sale of schools could be used by local authorities for any capital purpose: they need not spend the money on education. Local authorities would find it difficult to spend the money in the year in which the receipt was taken in, and any change in the prescribed proportion for education would lead to increased pressure for changes in the prescribed proportion for other receipts.

The Chief Secretary undertook to consider whether a scheme could be devised which would encourage local authorities to dispose of under-used schools whilst ensuring that the receipts were spent for educational purposes. The scheme would also ideally give maximum incentive to local authorities to spend the receipts in the year in which they were received and could be restricted to new receipts.

It was recognised that such a scheme would require legislation. It would need to be considered in the context of the Public Expenditure survey.

When the work for this has been done I expect that the Prime Minister would welcome a further discussion with the Chancellor, the Chief Secretary and the Lord President to consider both the scheme and how it should be taken forward.

At this stage knowledge of this request should be confined strictly to the Treasury.

GA

I am copying this letter to Joan MacNaughton (Lord President's Office).

Joan,
David

(DAVID NORGRÖVE)

Miss Jill Rutter,
Chief Secretary's Office.

PRIME MINISTER

EDUCATION

The arguments you might use with Mr. Baker include the following.

(i) For Mr. Baker to be given extra money for education now would look like a change of course. It would signal a change in the Government's attitude towards public spending and suggest that the floodgates were about to open.

(ii) Mr. Baker pressed last year for huge increases in housing expenditure. Now that he is at Education, is he saying that housing doesn't matter so much after all, or does he want lots more for that too? If so where does he think the money is going to come from?

(iii) It would give quite the wrong signal to the local authorities. The Reserve this year is £4½ billion. At this stage of the year it looks as though local authorities will be claiming over £3 billion of it, much of it for education (bearing in mind that education is half of local authority current expenditure).

(iv) The overspend on local authority capital this year was earlier put at £500 million. Now we expect the overspend to be £700 million. That will have to be revealed soon. How could the Government square announcement of an overspend of that size with more or less at the same time an announcement of an extra £30 million for education capital.

(Mr. Baker's figure of £500 million for education capital this year already includes an element of overspend. Education capital was 50% overspent last year.)

(v) There is no guarantee that allocation of more money for education capital would be spent on education.

The Treasury are doubtful that Mr. Baker has room within specific grant ceiling to spend an extra £45 million this year, even if he breaks the undertaking given by Sir Keith Joseph that the increased limit for specific grant taken through the House earlier in the year would only be used for meals supervision. But I do not suggest that you get into this with Mr. Baker: it is ground on which he is more secure than you will be.

You may like to see a note on local authority capital expenditure which the Treasury passed to me privately.

If there is time you could ask Mr. Baker how he is getting on with further proposals on reform of education. You wanted to talk to him about them before he circulated them for discussion.

J. Bowers

pp (David Norgrove)

5 June 1986

Prime Minister

Brian note this before your
meeting this afternoon.

CONFIDENTIAL

DES

3 June 1986 5/6.

~~SECRET~~
PRIME MINISTER

EDUCATION - CHANGING PUBLIC PERCEPTIONS

After recognising the importance of education by appointing a new Secretary of State, it is very important that the Government is seen to be making an impact in the schools from the beginning of the next academic year - when GCSE will be introduced.

It is understandable therefore that Baker wishes a decision now for cash by this autumn. His letter does not help his position. Nevertheless he clearly feels himself in a very strong political position. A major row involving yourself, the Treasury and DES in which as a last resort the parliamentary party might feel itself the jury would be damaging all round.

The best course of action would be to:

- a. agree the £75m extra spending at a meeting of E(A) or full Cabinet with explicit recognition that it is a special case to be funded from the reserve; £75m agreed now will have much more impact politically than £750m in November;
- b. emphasise to Baker, and in writing, that his PES bid will be given no special treatment whatever, and that

CONFIDENTIAL

if he comes forward with inordinate demands which are fundamentally inconsistent with the MTFB then he must expect the short shrift he will be given;

- c. extract from Baker a commitment that offsetting savings will be made in future years in anticipation of the Audit Commission's proposals

B.G.

BRIAN GRIFFITHS

CONFIDENTIAL

MS 21325



10 DOWNING STREET

From the Private Secretary

3 June 1986

EDUCATION - CHANGING PUBLIC PERCEPTIONS

As you know, the Prime Minister would be grateful if the Lord President could come to a meeting on Friday morning at 0900 with Mr Baker. Mr Baker's minute, below, will provide the basis for the discussion.

David Norgrove

Miss Joan MacNaughton
Lord President's Office

CONFIDENTIAL

CONFIDENTIAL

ce BG
ce B/UP.

PRIME MINISTER

EDUCATION - CHANGING PUBLIC PERCEPTIONS

I find that large parts of the education system are demoralised. The industrial action has taken its toll. Certainly teachers - even the many who have customarily supported us - are demoralised. My task is to put pride back into the job of teaching. Later in the year we will have to deal with teachers' pay and I don't want to raise this now.

Parents too are pretty demoralised as a result of the teachers' dispute and they simply want to see better schools for their children. Easier said than done. The children too have experienced a hard time seeing people, whom they have looked up to, letting them down and walking out on them.

The polytechnics are talking of enrolling fewer students this year when industry is stepping up its demands for qualified recruits. The UGC are telling me that we shall have to close universities despite the clear interest of our supporters in sending their children to university and at a time when the Government is criticised for failing to increase the output of graduates in line with what our competitors are doing overseas.

I fear that the public perception of our education policy is poor. I have made a list of good things and the bad things and as you would expect the good things far exceed the bad but alas that is not the public perception. Almost every headline refers to a crisis in education. I'm going to have my time cut out turning this perception around. We do not have very much time.

This is very unfair to my predecessor who set in hand major reforms on which I will build - curriculum reform, TVEI, teacher appraisal and training, GCSE, the emphasis on the quality of teaching, parent governors and strengthening the Headteacher. He was also right to make the universities face up to the reality of their costs. On all these matters I will be bringing forward proposals as the year progresses.

However as I made clear at the meeting with you when you appointed me action has to be taken now so that its effects can be seen and appreciated this winter and next spring. This is also the view that has been put to you by the Executive of the 1922 Committee. The outcome of the PESC deliberations for next year will not be known till November and will not be implemented until next April. Quite frankly that is simply too late to wait to turn round the public perception and win support for the success of our policies. I mentioned to you the 2 areas where I felt, and I am now convinced, that action is necessary and that is in books and buildings.

BOOKS

1. I have come to the conclusion that it is essential to ensure that the GCSE is successfully launched this year. There is widespread support in the educational world that it is an enormous improvement on the existing exams; it is a gateway to a common core curriculum and it is one of Keith's major achievements. It will force teachers to give proper emphasis to practical skills - not just in design and technology but in mathematics, sciences and languages; it will challenge the less able instead of discouraging them as the present examinations undoubtedly do and reinforces for all children what David Young is seeking to do. Some teachers want it postponed so that any extra work they may be involved in becomes part of the ACAS assisted negotiations.

Teacher co-operation is vital to its success and this will not be forthcoming without more cash for books and equipment. We have made £20 million available in the next two financial years - the headteachers have asked for £100 million. In my judgement an increase of £20 million for secondary schools this September will win teacher and parent support. David Young has kindly agreed to make a transfer of £5 million from his budget but this alone will not be enough. I will have to announce an increase within the next 2 weeks.

2. The books and equipment available in many primary schools are also extremely limited or old. There are some who claim they have not had new books for several years. When we announce the increase for secondary schools there would be a huge outcry if nothing was done for the primary schools. Indeed we would make the public perception worse if we did one without the other. I therefore propose an increase of £20 million for primaries so that new books and equipment can be bought for the Autumn term.
3. The equipment in colleges of further education and polytechnics is also getting increasingly out-dated and in many cases is appallingly inadequate. I am proposing that we should also announce an increase at the same time of £10 million.

Summarising these 3 points under books and equipment, I therefore propose that we should announce an increase in spending on these items in the current financial year of £50 million. It would be my intention to target this money quite precisely by grants so that it doesn't get lost in the mish-mash of local government expenditure.

How does SJS propose to ensure that the money goes to books.

If possible to spend it - in the current financial year.

CONFIDENTIAL

BUILDINGS

The second area where the public can see that something needs to be done is in the maintenance of school buildings. Estimates have been made that a sum of £3 billion is needed. The spend this year is likely to be about £500 million. This cannot increase quickly and I estimate that the most that could be spent this year if an announcement is made this Summer would be £30 million. I would propose to make at least £10 million of this available to the churches for voluntary aided schools. I therefore propose that we should announce an increase in spending in building maintenance and capital in the current year of £30 million.

Both of these would show that we recognise that something has to be done. It would in my judgement redound very well to the credit of the Government that it is willing to recognise that more should be spent sensibly in these areas and spent now. If we postpone either of these it will be too late to get any significant electoral benefit from them.

I would intend to present this in a very positive way for the Government - involving all MPs and pointing out that this means every secondary school gets about £4000 and each primary about £1000 and the colleges of further and higher education could have £2000, possibly for new lathes and new electronic equipment. And on the capital side we would aim to take out of our colleagues' post-bags about 80-100 of the most contentious cases involving dilapidated school buildings. This would mean that the new school year this autumn would start with more confidence, and hope.

Before I put these proposals to the Chief Secretary, since it would involve an increase of some £75 million in expenditure which I do not have in my budgets, I would be grateful if I could see you personally about them this week. The second reading of the Education Bill will take place next week, probably on Monday, and I am bound to be pressed very hard on these specific points as well as on the general issues of morale and the value that the Government places upon education.

Can come from industry.
K. S.

02. VI 199

PRIME MINISTER

EDUCATION

You did not want Mr Rifkind to become a member of the new MISC group on Education on the grounds that there is a different system in Scotland.

Could I ask you to reconsider this? Although there is a different system, as you say, many of the proposals under discussion would have analogues in Scotland, whether Government maintained schools, || new direct grant schools, || greater use of specific grants or more places under the assisted places scheme. || The Scots also have an interest through the read-across to discussions about teachers' pay and conditions. Mr Rifkind would have reason to feel aggrieved if he was not invited to be a member of the group. ?

Agree that he should be invited?

DN

DAVID NORGROVE

2 June 1986

CJ2ABA



10 DOWNING STREET
LONDON SW1A 2AA

From the Principal Private Secretary


2 June 1986

As a possible aid to your discussion with the Prime Minister I have set out on the attached sheet a list of the main questions on schools which are uppermost in the Prime Minister's mind. These may be the wrong questions; in which case you will no doubt let her know the right ones!

We look forward to seeing you at 1030 on Wednesday 18 June.

N. L. WICKS

The Lord Rothschild, G.B.E., G.M., F.R.S.



- (i) What is wrong with our schools?
- recruitment and motivation of teachers
 - curriculum
 - resources?
- (ii) Recruitment and motivation of teachers is being tackled through the ACAS talks in England and Wales and the Main enquiry in Scotland. What more could be done? On curriculum, is GCSE heading in the right direction? Should there be a national curriculum or a national syllabus?
- (iii) What radical options should be pursued? Should education remain with local authorities or should there be a national education service? How best can a "middle way" between the State and private systems be encouraged (e.g. re-introduce direct grant schools, maintain some schools from central government funds)? Would a voucher system offer a way to bring pressure for improvement?
- (iv) How can public opinion be prepared for radical change?



bc BG

10 DOWNING STREET

2 June 1986

From the Private Secretary

Dear Rob,

HMI REPORT

The Prime Minister has seen the letter of 30 May from the Secretary of State for Wales to the Lord President to which was attached a report produced by the HMI Inspectorate in Wales.

The Prime Minister noted that Mr. Edwards is considering changing the form of the report next year to produce a more balanced and wide ranging document. She hopes Mr. Baker will consider making a similar change for England and Wales.

I am sending copies of this letter to Joan MacNaughton (Lord President's Office), Colin Williams (Welsh Office), Robert Gordon (Scottish Office), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office) and to Michael Stark (Cabinet Office).

Yours,

David.

(DAVID NORGROVE)

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

ech

PART 7 ends:-

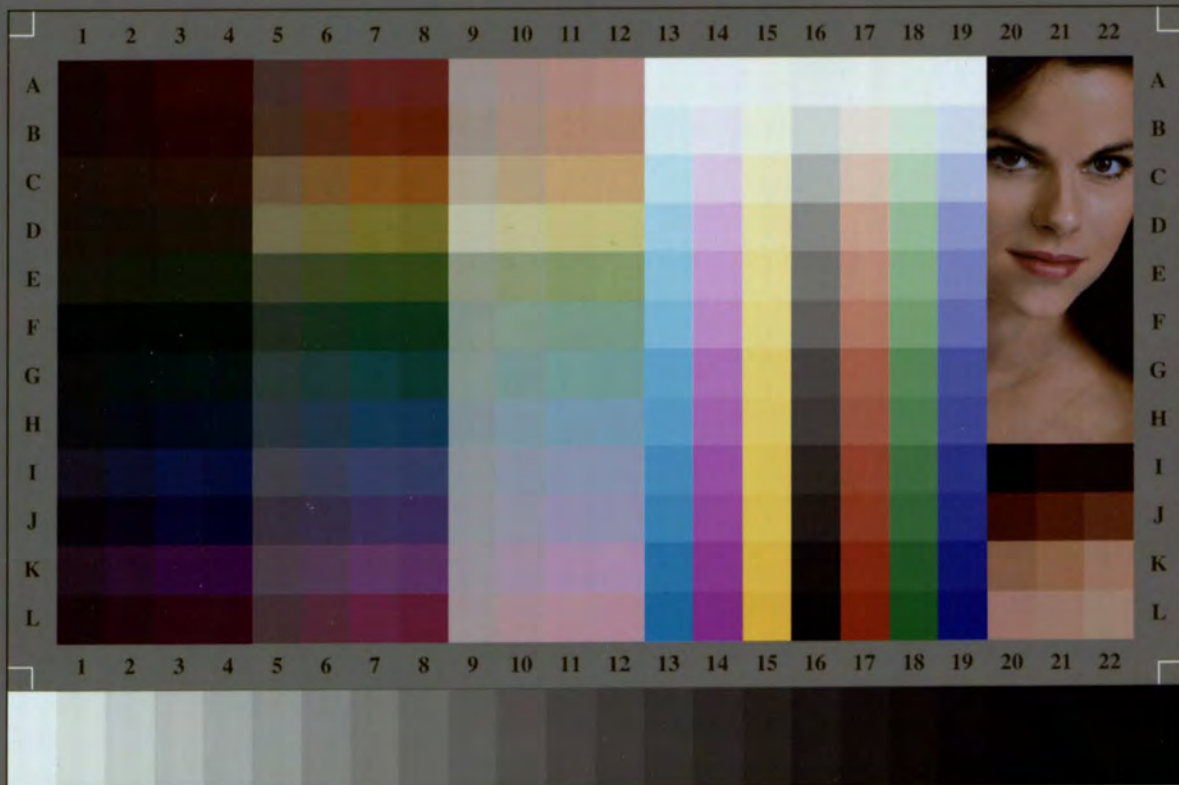
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PART 8 begins:-

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