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PART 11

SECRET

CONFIDENTIAL FILING

Policy on Education Expenditure

General Policy on Education

S
3001

EDUCATION

PT1: May 1979

PT11: January 1987

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~28.1.87~~							
~~3.2.87~~							
~~6.2.87~~							
~~9.2.87~~							
~~17.2.87~~							
~~19.2.87~~							
~~20.2.87~~							
~~24.2.87~~							
~~25.2.87~~							
~~27.2.87~~							
28.2.87							
PART ENDS							

PREM 19/2118

SECRET

PART 11 ends:-

PROF DURRANDS to PM 28.2.87

~~CSI to SS/DES 27.2.87~~

PART 12 begins:-

SS/DTI to SS/DES 2.3.87

THE POLYTECHNIC HUDDERSFIELD

Rector: K. J. Durrands MSc CEng FIMechE FIEE FIProdE

28 February 1987

The Rt. Hon. Mrs Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON SW1A 2AA

Dear Prime Minister,

Thank you for seeing us last Wednesday evening and for giving up so much of your valuable time in order to allow us to have a frank and full discussion with you about the future of Polytechnics.

I have often described the system within which Polytechnics work as one which produces a high gain in entropy and its complexity is inclined to leave it open to malpractice.

The Polytechnics must be allowed to more effectively and efficiently support industry, particularly manufacturing industry, by giving priority to design, making and selling.

The Polytechnics have, with difficulty, taken a new direction in higher education which is more in keeping with the needs of industry, but they have not been helped by the attitude of the DES, Local Authorities and other bodies. The DES do not appear to understand the essential needs of industry and I fear that they have a low regard for vocational education. Their attitude is perhaps defensive as very few of the staff in the Department have neither a scientific nor a technological background, and even if they have it is not augmented by experience of proven practice in these fields.

Far too many of our bright young people are still receiving an education which often only allows them to work in the gap between the creative thought and the deed without being able to make a significant contribution to either of these two critical needs.

The findings of the Fulton Committee have been largely ignored and some years ago the then Head of the Civil Service, Sir William Armstrong, admitted to me that this was the case. Given this background, I still feel the recruitment pattern to the Civil Service needs to be changed, but it is perhaps more important, that rotation of senior staff between the Service, Industry and Academic life is established. Rotation would allow, for example, the insertion of reliable senior staff into Civil Service Departments having a proven record of practice in both industry and education.

/.....

The Polytechnic, Queensgate, Huddersfield HD1 3DH Telephone 0484 22288
TELEX: 517463 (KLAD G)

The Rt Hon Mrs Margaret Thatcher MP

 28 February 1987

I shall be pleased to take up your request to make recommendations to the Secretary of State and give him my fullest support.

Thank you again for the meeting which gave us great encouragement.

Kind regards.

Yours sincerely,

Ken Durrands

Professor K J Durrands
Rector
& Education Commissioner, MSC

030/1285

CONFIDENTIAL

CHIEF SECRETARY TO THE TREASURY

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Baker MP
Secretary of State for Education and Science
Department of Education and Science
Elizabeth House
York Road
London
SE1 7PH

27 February 1987

Dear Secretary of State,

CROHAM REPORT ON THE UGC

Thank you for copying to me your letter of 20 February to Tom King about our response to the Report of the Croham Committee.

I agree that the broad thrust of the recommendations summarised in your second paragraph is acceptable. There is however one specific point which is important enough to single out now. This concerns the recommended terms of reference for the UGC, which include an invitation to make recommendations on the level of public funding for the universities. In my view the role of the UGC is to determine the allocation of funding. The quantum is a matter for the Government. In the case of the PCFC, I see you have dropped the idea that it should have a responsibility of this kind. We must be quite clear about this in relation to the UGC; and indeed I think it would help to add a new sentence at the end of paragraph 4.35 of your draft White Paper on the following lines:

> "It does however believe that the UFC's responsibilities relate to the allocation of funding for the universities and not to its overall amount, which is a matter for the Government."

I agree with what you say about triennial funding. Since we therefore intend to stick to an annual planning cycle, I wonder whether we want to commit ourselves to the provision of guidelines on what would presumably also be an annual basis, as in paragraph 4.36 of your draft White Paper. This recommendation was set in the context of a fairly elaborate exercise every three years. I think that it falls with our rejection of triennial funding.

I also agree with what you say about the proposed UK Education Commission. But I see every advantage in killing the idea now. If we do not want it, we had better say so, before any momentum

builds up in support of it. To this end I would amend the last two sentences of paragraph 4.40 of your draft White Paper to read:

"The Government is not persuaded that a Commission would be helpful ..."

We can avoid looking unconstructive by drawing attention to the fact that the Government itself accepts responsibility for planning and co-ordinating educational provision.

You do not mention the Croham recommendation that the UFC should fund itself by "top-slicing" funding for the universities. As in the case of the PCFC, that seems to me to represent an entirely unsatisfactory control regime for such a body; and while we do not need to mention the point in your draft White Paper, I hope we can be clear that the idea is unacceptable. You have already accepted this in relation to the PCFC in response to my raising it with you yesterday.

Another recommendation which you do not mention is the proposal that the present arrangements for academic salary negotiation should be re-examined. It will be helpful to have your thinking on that point in due course, which links with the question of pay arrangements in the PCFC sector.

I am copying this letter to the Prime Minister, Willie Whitelaw, Nicholas Edwards, Tom King, Norman Fowler, David Young, Malcolm Rifkind, Paul Channon, Richard Luce and Sir Robert Armstrong.

Yours sincerely,

Jim Ruth

PP JOHN MacGREGOR
(Approved by the Chief Secretary and signed in his absence)



CC/SG

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WELSH OFFICE
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Tel. 01-270 3000 (Switchboard)
01-270 (Direct Line)
From The Secretary of State for Wales

0538

The Rt Hon Nicholas Edwards MP

27 February 1987

Dear Kenneth

NRBM

with DRN?

CROHAM REPORT FOLLOW UP

Thank you for sending me a copy of your letter of 20 February to Tom King about the Croham Report.

I agree that we should accept the broad thrust of the Report's recommendations on incorporation and membership of the new Council.

I note that you propose to consult about the recommendation to establish an Education Commission despite being sceptical about the need for such a body. This sits rather oddly with our decision to abolish, by means of the Education (No 2) Act 1986, the Central Advisory Councils (CACs) whose function was similar to that now suggested for the Education Commission. The CACs had not been active for many years, of course.

The extract of the draft White Paper attached to your letter does not comment on channels of communication between the UGC (or the UFC as you now propose to refer to it), and the Welsh Office. I am clear that there need to be recognised arrangements whereby I can have access to the Chairman and my officials can have a close liaison with the staff of the UFC. It was suggested to the Croham Committee that the interests of the Principality (as distinct from the interests of the University of Wales) should be articulated to the UFC through a Welsh Committee. This suggestion was rejected by Croham - although it is the solution recommended for Scotland if responsibility for the Scottish universities remains with you and the UFC. The perception in the Principality at the present time is that the University of Wales has not fared well at the hands of the UGC. It is important therefore that I am seen to have a locus in matters affecting the UGC. This is a matter which I will wish to pursue further and it may be necessary to refer to my position in the White Paper. However it will be helpful to know, first of all, what the arrangements in Scotland are to be.

I am copying this letter to the Prime Minister, Willie Whitelaw, Tom King, Norman Fowler, David Young, John MacGregor, Malcolm Rifkind, Paul Channon, Richard Luce and Robert Armstrong.

Yours ever

Nick

The Rt Hon Kenneth Baker MP
Secretary of State for Education and Science


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SUBJECT
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E23BTU (BM)

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

25 February 1987

Dear Rob,

FUTURE OF THE POLYTECHNICS

The Prime Minister this afternoon held a meeting to discuss the future of the polytechnics on the basis of your Secretary of State's minute of 20 February and the attachments to your letter to me of the same date. There were present your Secretary of State, the Lord President, the Secretary of State for the Environment, the Secretary of State for Wales, the Secretary of State for Scotland, the Chief Secretary, Mr. Walden (PUSS, Department of Education and Science), Sir David Hancock and Mr. Bird (Department of Education and Science), Mr. Ennals (Department of the Environment), Mr. Anson (HM Treasury), Mr. Scott (Scottish Office), Mr. R.H. Jones (Welsh Office), Sir Robert Armstrong and Mr. Unwin (Cabinet Office) and Professor Brian Griffiths (No. 10 Policy Unit).

Your Secretary of State said that the Committee of Directors of Polytechnics had now come out in favour of direct funding for their institutions. He would be addressing them at their Conference on 14 April and hoped to publish a White Paper before then. (The White Paper would discuss polytechnics, the Croham Report and the prospects for numbers in higher education.) The criteria for deciding which institutions would be transferred into the new sector had been refined since the previous meeting, with the result that some very small institutions would not now move. He sought permission to discuss the question of hybridity with the House authorities. The proposal that the institutions to be transferred would be funded by contracts placed by the PCFC should prove very helpful. The papers now also proposed that a temporary holding body for the assets of the polytechnics should be set up so that the credentials of the colleges concerned could be checked before transfer. The next stage in higher education would, he hoped, be to create student entitlements whereby students would be vested with their own tutorial fees which they could then take to the institution they attended. But the climate was not yet right for a change of this kind.

In discussion of the proposal that the institutions should be funded by means of contracts, it was noted that this would require DES to give guidance on the numbers of places to be offered for study of each subject. This would mean the exercise of difficult judgements and might be seen as a fundamental change. On the other hand, it was argued that the UGC and NAB were already expected to give similar guidance. In the early stages, the DES would be able to give only broad guidance to the PCFC. This might become more specific as experience was gained. But in any case, the PCFC would adjust each year the contracts it placed in the light of experience. It was agreed that further work would be needed on how the contract system would be run. There would be opportunity to refine this and to consult in the period before the system came into operation.

It was also agreed that the proposals on determination of pay and conditions should be further considered. The approach of leaving the negotiations to the employers and the unions (approach A) had attractions in the scope it offered for local negotiations and local flexibility. But it also carried risks: it could lead to a Burnham-style arrangement and it might be difficult for the PCFC to refuse to validate through larger contracts an excessive pay award which had been granted by an institution. The structure of contracts and the period for which they would run would be relevant to the arrangements for determining pay. The arrangements for transfer of staff contracts (which should if possible, give scope for the institutions concerned not to retain some staff at the time of transfer) and arrangements for pensions would need particularly careful consideration.

It was agreed that the control to be exercised over and the costs of the PCFC's own administration should be further considered.

It was noted that the assets of polytechnics would be transferred to the PCAB, together with the relevant debt charges. There were precedents for transfers of this kind, for example when boundaries of local authorities changed. Similar changes had also taken place when the NHS had been created. Further work would be needed to make sure that the assets of the institutions concerned were properly identified, and the question of disposal of any surplus assets and the use of the receipts should also be considered. (At a later meeting with Directors of Polytechnics, recorded separately, the Director of one polytechnic said there was evidence that when the transfer of polytechnics had been mooted earlier, some local authorities had begun to take polytechnic assets and dispose of them for their own purposes. Your Secretary of State might need to act to prevent this.)

The Secretary of State for Wales said there were 21 higher education institutions in Wales. 6 of them, including one polytechnic, would fall within the category for transfer defined by your Secretary of State. The present system was working reasonably well in Wales and there would be loud objections if Welsh institutions were to be taken into an

arrangement with English institutions. There was particular sensitivity at present in view of difficulties with University College, Cardiff.

After discussion, it was agreed that, if possible, the Welsh institutions should be left outside the scope of the legislation. If that proved not to be possible, the next best option would be for powers to be taken to be exercised in Wales by the Secretary of State for Wales if circumstances in the future warranted that.

The Secretary of State for the Environment pointed to the difficulties of making a transfer of assets, with consequent changes to local authorities' expenditure, in the middle of a financial year. The problems when this had been attempted with London Regional Transport had been immense. It was agreed that the system should be brought into operation at the beginning of a financial year which would point to vesting day probably on 1 April 1989.

The Prime Minister invited your Secretary of State to bring a paper about his proposals to H Committee. He might aim to publish his proposals in a White Paper in early April.

I am copying this letter to Joan MacNaughton (Lord President's Office), John Shortridge (Welsh Office), Robert Gordon (Scottish Office), Jill Rutter (Chief Secretary's Office), Robin Young (Department of the Environment) and Trevor Woolley (Cabinet Office).

Yours,

David.

(DAVID NORGROVE)

Rob Smith, Esq.,
Department of Education and Science

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Subject
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bc. BG

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

25 February 1987

Dear Rob,

MEETING WITH POLYTECHNIC DIRECTORS

The Prime Minister this evening met people concerned with polytechnics. There were present Mr. Ken Durrens, Principal, Huddersfield Polytechnic, Dr. Ricketts, Director, Middlesex Polytechnic and Chairman of the Committee of Polytechnic Directors, Mr. Malcolm Pearson, Honorary Treasurer, CNAA and Dr. Frazer, Chief Officer, CNAA. Your Secretary of State and Professor Brian Griffiths, No.10 Policy Unit, were also present.

The meeting opened with a description by Dr. Ricketts and others of the way in which local authorities, together sometimes with the staff and student members of governing bodies, had manipulated appointments and interfered with the running of polytechnics.

All those present agreed strongly that polytechnics should be removed from the control of local authorities. It was also agreed that many of the present governing bodies were wholly unsatisfactory, and their constitution and membership needed to be changed completely. Your Secretary of State would have to take a major role in new appointments. It might also or alternatively be possible for a central body (which seemed to be akin to the PCFC) or a formation committee (of the kind which had been used in setting up the City of London Polytechnic) to nominate the first boards of governors. It was agreed that Dr. Frazer would gather ideas both on the mechanics of creating first governing boards and on their composition.

Dr. Ricketts appeared to have given most thought to the structure which might run polytechnics once they had been transferred out of local authorities. He envisaged a central body much like the PCFC. The chairmen of the governing bodies would be prominent industrialists. (He agreed however with the Prime Minister and your Secretary of State that former senior politicians might well be suitable in view of the political context in which the institutions operated.) On each governing body there would be ten members from industry and commerce, three from the professions, three academics and three from local authorities, or perhaps in place of the local

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authority members two members of staff and a student. Dr. Ricketts was however sceptical about putting staff and students on the governing bodies and he also doubted whether directors of polytechnics should be members. In answer to questions, Dr. Ricketts agreed that it might be useful for members of the governing body to be nominated by, for example, the regional CBI, the MSC, trade associations or the like in order to try to prevent unsuitable people being appointed. The important point was that a majority should be connected with industry and commerce.

The directors of the polytechnics said they had a fairly clear idea about the assets of their institutions, though of course all except the five inner London polytechnics did not have corporate status. It would be necessary to take action to prevent local authorities asset-stripping the polytechnics once it was known or suspected that the polytechnics would be moved outside their control.

There was general agreement that members of staff of polytechnics were now more amenable than they had been to moving outside local authority control. Mr. Durrens and Dr. Ricketts agreed that they would like if possible to have flexibility in setting pay and conditions in their own institutions and Mr. Durrens was keen that arrangements should be made to allow early retirements and the like on transfer of the polytechnics.

Dr. Frazer then gave an account of his plans for the CNAA which I confess I found difficult to follow. He said his intention was to stand down the board, the committees and the members of the CNAA in order to make a fresh start. Quality control was to be improved. He expected that within about three years most polytechnics would be accredited. He expressed the hope that the institutions concerned would stay within the "CNAA club" and that universities might in due course wish to join it. He would be coming forward later this year with suggestions for changing the composition of the CNAA.

Mr. Pearson argued that membership of student unions should be made voluntary. The Prime Minister invited your Secretary of State to consider this further.

Your Secretary of State also undertook to consider whether action could be taken against the "positive images" campaign being mounted by Haringey Council. The Prime Minister urged that publicity should be given to this.

Yours,
David.

(DAVID NORGROVE)

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

SUBJECT
cc master

PERSONAL AND CONFIDENTIAL

file EL3BTR (BM)

10 DOWNING STREET

LONDON SW1A 2AA

25 February 1987

From the Private Secretary

Dear Rob,

BETTER SCHOOLS

The Prime Minister this morning held a meeting to discuss your Secretary of State's minute of 20 February about education reform. There were present your Secretary of State, the Chancellor of the Exchequer, the Secretary of State for the Environment, the Secretary of State for Employment, Sir David Hancock and Mr. Ulrich (Department of Education and Science), Mr. Heiser (Department of the Environment), Mr. Anson (H.M. Treasury), Sir Robert Armstrong and Mr. Unwin (Cabinet Office) and Professor Brian Griffiths (No.10 Policy Unit).

The meeting first discussed financial delegation to schools (Annex A to your Secretary of State's minute). The following points were agreed.

(i) The proposal for a staff college should be further considered. Whilst this would have some advantages and there was a good possibility of securing private finance, it would also tend to insulate head teachers from contact with people in other professions. This had to be avoided, and there was a strong case for asking business schools to provide the necessary courses.

(ii) The proposal that the LEA should determine each school's delegated budget would leave too much power in the hands of the LEA. The finance provided to schools would need to take into account exceptional circumstances, but it should be possible to find a middle way between a rigid formula and giving entire discretion to the LEA. To ensure that the initiative got off to a good start it was vital that per capita funding should play an important part from the first year. DES should accordingly bring forward proposals under which LEAs would be required to set delegated budgets on the basis of a formula which would be linked to open enrolment and would take into account exceptional factors.

(iii) The constraints on governors' discretion (paragraph 6 of Annex A) had been drawn too narrowly; in particular, governing bodies should be given greater discretion in the employment of teaching staff than had been proposed, for example they could be allowed discretion within a maximum set in terms of full-time equivalents; governors should also not be required to have regard to the financial advantages of central purchasing (paragraph 6(3)).

(iv) Similarly, governing bodies should be given greater discretion in implementing the scheme (paragraph 9) both in choosing financial management information systems and in whether to employ a qualified bursar.

(v) Further consideration should be given to the rights of governing bodies in appointing individual teachers, and the role of LEAs should be further reduced; there was also a strong case for introducing rolling contracts for teachers, though it was recognised that this would be a fundamental change.

(vi) Schools should be required to publish the results of attainment tests as well as the results of external examinations.

Generally, the proposals in Annex A should be reviewed to allow maximum delegation to governing bodies; the role of the LEA should be reduced to a minimum.

The meeting then discussed the proposal to enable schools to opt out of management by LEAs (Annex B).

The following points were agreed.

(i) It would be right to make arrangements so that some unqualified teachers could be employed at GM schools.

(ii) Your Secretary of State said his intention was that larger primary schools should be allowed to opt out and this was agreed.

(iii) Your Secretary of State said the intention was that opting out should be financially neutral in its effects. The financial consequences of the proposal, however, needed further work by DES, Treasury and DOE; the work would need to cover, among other things, the level of finance for schools which chose to opt out, how money would be clawed back from local authorities and how schools which might choose to opt out because they faced the prospect of closure would be dealt with.

(iv) The Secretary of State should have the right to withhold consent from a school wishing to opt out and a request to opt out from a school facing closure might, in some circumstances, be refused. But, generally, there was a need to restrict the scope of the Secretary of State's right to withhold consent. It was, for example, questionable whether the degree of local support for a change to GM status should be a factor in his decision (paragraph 5(3)). The legislation would need to be drafted carefully to minimise the risk of judicial review of the Secretary of State's decisions and the Bill should be checked by independent counsel.

(v) If the LEA were required to retain staff not re-employed by the GM school, this could become a form of dock labour scheme and arrangements should be made to limit this.

(vi) The Secretary of State's responsibilities described in paragraph 7 of Annex B were agreed. The proposals in relation to the charging of fees (paragraph 11) were also agreed.

The Secretary of State for the Environment said that it would be difficult to change local authority grants in the middle of a financial year. It would be preferable for a decision to opt out to take effect from the beginning of a financial year even though, from an educational point of view, the academic year would be preferable. Your Secretary of State noted that the Department of Education and Science would need more staff to cope with GM schools. The Secretary of State for Employment referred to the possibility of giving the regional organisation of the MSC a role in supervising GM and other schools.

On Annex C, enabling parents to exercise a wider choice of school, it was agreed that the number of places offered under the Assisted Places Scheme should not be increased beyond 35,000, and that free home-to-school transport should not be offered. It was however agreed that the Scheme should be based on a requirement to admit pupils up to the standard number as re-defined (paragraph 11 of Annex C).

It was agreed that the proposals for a national school curriculum should be considered at a separate meeting.

The Secretary of State for the Environment noted the effect on the community charge in London of expenditure by the ILEA. It was possible that the climate of opinion about the ILEA had now changed. The Prime Minister invited your Secretary of State to bring forward a paper about possible options for education in London. These might include putting London education under the control of the Secretary of State for Education much in the same way as the Metropolitan Police came under the control of the Home Secretary, though his powers might be exercised through an Education Trust. It would be worth also considering whether individual boroughs should be allowed the right to opt out.

I am copying this letter to Alex Allan (HM Treasury), Robin Young (Department of the Environment), John Turner (Department of Employment) and Trevor Woolley (Cabinet Office).

Yours,

David

(DAVID NORGROVE)

Rob Smith, Esq.,
Department of Education and Science

SC1

c.c Mr Bird
Mr Chamier
Mr Stuart
Mr Morgan
Mr Gamble
Mr Holmes

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

FROM THE PERMANENT SECRETARY
Sir David Hancock KCB

Colonel Sir William Crawshay DSO, ERD, TD
Llanfair Court
Abergavenny
Gwent

24 February 1987

Dear Sir William,

UNIVERSITY COLLEGE, CARDIFF

Thank you for your letter of 10 February in which you reported your Council's decisions in response to my letter of 3 February.

2. I understand that Mr Shattock of Warwick University has since been appointed to conduct an inquiry. I assume that Mr Shattock will by now have submitted his reports to you and to Mr Fisher. Mr Shattock consulted the Chairman of the UGC and the UGC Monitoring Group before he wrote his report. I have been told informally what conclusions he has reached and, if I am correctly informed, then the College's finances are in an exceedingly serious state.

3. To give just one example, the College produced financial estimates for Price Waterhouse last year which showed a surplus of £1.6 million for the academic year 1986-87. Price Waterhouse said at that time that in their view a deficit of £1.2 million was more probable. The Price Waterhouse report was sharply criticised by the College authorities for being unreasonably pessimistic. I understand that Mr Shattock now tells us that Professor Sheridan, working closely with the Deputy Bursar and his staff, has produced an estimate that the deficit in the current academic year will exceed £2 million, and that Mr Shattock sees no reason to doubt it.

4. I simply do not understand how the College intends to meet its liabilities if its expenditure continues at the current rate. I should be grateful for an explanation. I would remind you of the conditions set out in my letter of 3 February that will have to be satisfied if payment of grant to UCC is to be resumed.

5. I am copying this letter to Mr Fisher.

Yours sincerely,

David Hancock.

SEI

c.c Mr Bird
Mr Channicy
Mr Stuart
Mr Morgan
Mr Gamble
Mr Holmes

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

FROM THE PERMANENT SECRETARY
Sir David Hancock KCB

Colonel Sir William Crawshay DSO, ERD, TD
Llanfair Court
Abergavenny
Gwent

24 February 1987

Dear Sir William,

UNIVERSITY COLLEGE, CARDIFF

Thank you for your letter of 10 February in which you reported your Council's decisions in response to my letter of 3 February.

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5. I am copying this letter to Mr Fisher.

Yours sincerely,

David Hancock.

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B/up.

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

FROM THE SECRETARY OF STATE

David Norgrove Esq
Private Secretary
10 Downing Street
LONDON SW1

24 February 1987

Dear David,

FUTURE OF THE POLYTECHNICS

I enclose as requested a short briefing note of points which the Prime Minister might raise when she and Mr Baker meet Dr Rickett, Professor Durrands, Dr Frazer and Mr Pearson on 25 February.

2. The note is written on the assumption that Ministers are unlikely to wish to say explicitly to the visitors that the Government has decided to transfer the polytechnics and other colleges out of local government - even assuming this intention has been confirmed at the Prime Minister's meeting with my Secretary of State and others earlier in the day.

Yours sincerely,

Rob Smith

Private Secretary

CONFIDENTIAL

BRIEFING NOTE

Meeting with Dr Rickett, Professor Durrands, Dr Frazer and Mr Pearson

FUTURE OF THE POLYTECHNICS

1. Dr Rickett and Professor Durrands are Polytechnic Directors. Dr Frazer and Mr Pearson are Chief Executive and Hon Treasurer of the CNAA. The discussion therefore provides an opportunity to test views on:

* control and funding of polytechnics - what system best ensures efficiency and effectiveness

* the CNAA's reforms just announced * - their impact on academic quality.

2. Questions on efficiency and effectiveness

A Are changes needed in the ways in which polytechnics and other large local authority colleges are governed and funded, especially from the point of view of:

- closer relationship to industry and commerce and promoting entrepreneurialism and more positive attitudes to enterprise

- more freedom from petty controls over internal management of institutions but clearer public accountability

- central planning and funding arrangements, presently centred on the National Advisory Body (NAB).

B If changes are needed which is best

- corporate status for institutions with continued local authority funding, with LEAs therefore retaining final say on institutional aims and management, or

- direct funding from Central Government through a UGC type intermediary body, with institutions accountable in the first instance to the latter.

* see summary attached

3. Questions on <u>academic quality</u>. The CNAA's newly adopted "strategy" conforms with the Government's response to the Lindop report and is designed to give more responsibility to polytechnics and large colleges for approving their courses and maintaining their standards:

C The CNAA's new strategy is now agreed and should be given a chance to work, but

- how it should be implemented, for example how many institutions should be "accredited" and how quickly should the CNAA move

- how readily will the CNAA be able to keep its finger on the pulse of institutions when it is less directly involved in their affairs

- how can we ensure that the overall costs of quality control are not increased.

COUNCIL FOR NATIONAL ACADEMIC AWARDS

Future Strategy: Principles and Operations

SUMMARY

1. The purpose of the new strategy is to improve the quality of higher education in the public sector by devolving the processes of course validation and review from the CNAA to institutions as far as is possible. There will also be a streamlining of CNAA's procedures.

2. There will be two types of relationship between institutions and the CNAA: accreditation and association.

3. Accredited institutions will have delegated authority to approve new courses and modify existing ones. Accreditation will be granted to institutions which have proven experience of, and suitable procedures for, controlling the standards of courses. However CNAA, under its Royal Charter, has the ultimate responsibility for standards and therefore will require the following safeguards:

- every validation or review event must involve external participants from industry, commerce or the professions;

- a report of every validation or review event must be lodged with the CNAA, together with a full description of the course as finally approved;

- all courses must be reviewed at least once every five to seven years;

- CNAA will approve the appointment of all external examiners;

- the role of external examiners will be strengthened as detailed in a code of practice. For example, external examiners will be required to write an annual report on the standards achieved with recommendations for maintaining and improving quality;

- institutions will send an annual report to the CNAA certifying that all external examiners' reports have been considered and that appropriate action has been taken;

- renewal of accreditation will be reviewed every five to seven years;

- CNAA has the right to intervene if there is cause to believe that standards are at risk;

- CNAA has the right to withdraw accreditation at any time.

4. Courses in associated institutions will continue to be subject to approval by the CNAA. Procedures for validation and review will vary, as now, depending on the maturity of the institutions.

5. CNAA will continue to provide a national system for the exchange of information in areas such as course design and good practice in teaching, aimed at improving the quality of higher education.

6. CNAA will establish a register of specialist advisers to assist with validation in associated institutions, and with the exchange of information. Specialist advisers will also be available to assist accredited institutions with validation and review of their courses.

7. Twelve subject committees will be established to replace the present structure of over 50 committees and boards.

MJF/LRM/0072


24. 11.
PM 3

PRIME MINISTER 24 February 1987

MEETING WITH POLYTECHNIC DIRECTORS AND SECRETARY OF STATE

Present at the meeting tomorrow will be:

Ken Durrens : Principal, Huddersfield Polytechnic

Dr Ricketts : Director, Middlesex Polytechnic and Chairman of Committee of Polytechnic Directors

Malcolm Pearson : Honorary Treasurer, CNAA

Professor Frazer: Chief Officer, CNAA

Secretary of State for Education and Science

It would be useful to take soundings from the group on a number of issues.

The Present State of the Polytechnics

1. The demand for their courses; academic standards; subject areas of student interest.

2. Relationships with local authorities (Appendix A is an example of the pressure which a militantly influenced council - Manchester - is bringing on the Director of its Polytechnic).

3. The extent to which social science departments and humanities and especially teacher training are in the hands of the extreme-Left.

Teacher training is an especially important area as it is for which the Secretary of State has particular responsibility, and you should make a point of raising it.

Post-Lindop Reform within CNAA

4. You might invite **Professor Frazer** to outline the post-Lindop reforms which are taking place in CNAA. (Annex B is a copy of their most recent strategy paper).

5. One issue which should be raised is whether CNAA is too dominated by the academics? (This has been a continuing concern of **Malcolm Pearson**).

6. As the Polys and certain colleges become more independent of the CNAA, are the controls which it plans to examine over them sufficient that to ensure academic standards are kept high?

7. As a result of the reforms taking place within CNAA, could the troubles of the Polytechnic of North London happen again?

Polytechnics after Independence

8. You may like to ask **Ken Durrens** and **Dr Ricketts** the likely effects on polytechnics of their being independent of local authorities, and in particular the likely impact of their raising more private sector funds, their relations with industry, appointments and their pattern of courses.

Polytechnic Funding

9. If polys were to be funded by central Government via an intermediate body, it would be useful to know the kind of arrangements they would prefer: in particular

a. the composition of membership of the funding body;

b. the extent to which that body controlled their student numbers or left them with greater discretion;

c. the ways in which such a body should encourage enterprise within the poly's.

d. the legitimate controls over their management which such a body might impose.

BRIAN GRIFFITHS

Education Pol: PT II

MANCHESTER POLYTECHNIC

FACULTY OF HUMANITIES, LAW AND SOCIAL SCIENCE

M E M O R A N D U M

TO: Heads of Department/Course Leaders

FROM: Pauline Ford

DATE: 22nd January 1987

SUBJECT: 1. ANTI-RACIST POLICY FOR CONTINUING EDUCATION IN A MULTI-CULTURAL SOCIETY

2. POLICY FOR WOMEN IN EDUCATION

Attached is a copy of the Director's recent report to the Governing Body on proposals for the implementation of the above two policies. These proposals were approved by the Governing Body at its meetings on 27th June 1986 and 31st October 1986 respectively.

Listed below are those sections of the policies requiring action by Course Committees and/or Departmental Boards.

Multi-Cultural	Women
2.1.2	2.1.4
2.1.4	2.2.2
2.1.7	2.2.4
2.2.2	2.2.5
2.2.3	2.2.6
2.2.4	2.2.7
2.5.2	2.5.3

I should be grateful if you could let me know by the end of this term steps taken by Course Committees/Departmental Boards on the implementation of various aspects of the two policies.

Heads of Departments' attention is specifically drawn to the following sections:

Multi-Cultural	Women
2.2.1	2.1.2
2.4.2	2.2.1
2.4.3	2.3.3

Pauline

PF/SBT

MANCHESTER POLYTECHNIC

AGENDA ITEM 10
Ref: GB/86/57

GOVERNING BODY

14 NOVEMBER 1986

PROPOSALS FOR IMPLEMENTATION OF

(1) ANTI-RACIST POLICY FOR CONTINUING EDUCATION IN A MULTI-CULTURAL SOCIETY

(2) POLICY FOR WOMEN IN EDUCATION

(Report by the Director)

ANTI-RACIST POLICY FOR CONTINUING EDUCATION IN A MULTI-CULTURAL SOCIETY

1. The Governing Body at its meeting on 27 June 1986 adopted the following resolutions:

(i) that the Governing Body approve the Anti-racist Policy for Continuing Education in a Multi-cultural Society attached as Appendix A to report GB/86/29;

(ii) that, to promote the effectiveness of the implementation of the Polytechnic's Anti-racist Policy, the Governing Body resolve to establish a post of Co-ordinator for Continuing Education in a Multi-cultural Society;

(iii) that the Governing Body request the Director, after appropriate consultation, to present a paper by the end of the Autumn Term 1986 laying out his proposals for a plan of action for the realisation of the Polytechnic's Anti-racist Policy for Continuing Education in a Multi-cultural Society, to include

(i) a clear identification of the posts, whether new or existing, which would carry significant responsibilities for the implementation of policy; and

(ii) a clear identification of the responsibilities of boards and committees for oversight of the policy and its implementation;

(iv) that a Working Group of Governors be established to consider aspects of equal opportunities policies, with the following membership:

Mr J Clarke
Mr P Mackenzie
Mr H Mason
Mr D J Melling
Councillor Sally Shaw (or another Governor as alternate)
A Student Governor to be nominated by the Students' Union.

The following proposals are advanced in response to resolution (iii), taking account also of the fact that, under resolution (ii), the Governors have agreed in principle to establish a post of Co-ordinator for Continuing Education in a Multi-Cultural Society.

2. The policy objectives as set out in the statement approved by the Governors are accordingly reproduced below, together with an indication of those officers, units, committees and boards envisaged as being responsible for implementing them. The numbering of the paragraphs follows that of the original document.

2.1 Admission and Support of Students

The Polytechnic seeks to be a welcoming institution for prospective candidates from all ethnic groups and will endeavour to present itself as such.

As a means of achieving this objective the Polytechnic will

2.1.1 include a statement in its prospectuses which encourages and welcomes applications from prospective students from all ethnic groups.

Implementation: External Relations Group

2.1.2 make positive attempts to increase the number of applications from candidates from ethnic minority groups.

Implementation: Course Committees, monitored by Departmental, Faculty and Academic Boards.

2.1.3 establish close links with local ethnic community groups and organisations to advise them of the provision it makes and to discuss ways in which the institution might better respond to the educational needs of the people they represent.

Implementation: External Relations Group, the Liaison Group, Co-ordinator for Continuing Education in a Multi-cultural Society.

2.1.4 ensure that its admissions procedures do not discriminate against candidates from ethnic minority groups.

Implementation: Admissions policy monitored by Course Committees, Departmental, Faculty and Academic Boards.

2.1.5 keep under review and, if necessary, make changes to its counselling and other support services so as to ensure their suitability to the needs of individuals from ethnic minority groups.

Implementation: Student Services.

2.1.6 arrange for support to be provided for students who encounter language and other related learning problems, and for advice to be available to their teachers in terms of teaching-learning strategies.

Implementation: Student Services, study skills staff and personal tutors.

2.1.7 take all reasonable steps to ensure that no discrimination takes place against ethnic minority students or applicants when arranging sandwich or other work experience placements.

Implementation: Course Committees.

2.2. Academic Provision

The Polytechnic recognises the existence of a multi-cultural, multi-ethnic, multi-faith society. Through the existing procedures for the management and evaluation of its courses, the Polytechnic will seek to develop a critical awareness of the implications for the nature of its academic provision.

As a means of achieving this objective the Polytechnic will:

2.2.1 provide opportunities for members of staff to engage in curricular discussion, particularly with representatives of ethnic minority groups, to increase their awareness of the need for a multi-cultural/anti-racist approach to education and the discouragement of racist stereotyping.

Implementation: CEDAT and Faculties, Co-ordinator for Continuing Education in a Multi-cultural Society.

2.2.2 in the light of paragraph 2.2.1 above, begin to review the content and delivery of courses and to consider the implications for library resources.

Implementation: Course Committees, monitored by Departmental, Faculty and Academic Boards; Librarian.

2.2.3 encourage the development in the Polytechnic of studies in multi-cultural education.

Implementation: Course Committees, monitored by Departmental, Faculty and Academic Boards.

2.2.4 require Faculty Boards to indicate in their annual course monitoring and evaluation reports any further developments towards a multi-cultural/anti-racist approach to education.

Implementation: Course Committees, monitored by Departmental, Faculty and Academic Boards.

2.2.5 monitor the provision and development of multi-cultural/anti-racist education in the validation and progress reviews of its courses.

Implementation: CNAA Courses Committee (or, under present arrangements, comparable body for non-CNAA courses).

2.3 Recruitment and Development of Staff

The Polytechnic is committed to the development of equal employment opportunities for candidates and staff from all ethnic groups, and recognises that staffing resources are enriched by a broad pattern of recruitment.

As a means of achieving this objective the Polytechnic will draw up a detailed code of practice which will, inter alia,

ensure that the means by which vacancies are advertised are such as to attract applications from members of ethnic minority groups and that methods of selection do not discriminate against applicants from ethnic minorities;

ensure that internal promotion arrangements are fair to all and without discrimination;

provide equal opportunities for all staff to participate in staff development exercises for the benefit of themselves and the institution.

Implementation: Personnel Division

2.4 Development of Anti-Racist Practices and Procedures

The Polytechnic will seek to identify and eradicate all practices, procedures and customs which discriminate either consciously or inadvertently against students and staff from ethnic minority groups.

As a means of achieving this objective the Polytechnic will:

2.4.1 seek to develop a physical environment and institutional ethos which reflects the multi-ethnic society of which it is a part.

Implementarion: The Assistant Directors responsible respectively for accommodation and for external relations.

2.4.2 make arrangements for staff development by participation in training courses related to the implementation of the policy of anti-racism.

Implementation: Faculties, CEDAT and Personnel Division.

2.4.3 encourage greater involvement of local ethnic minority groups in the life and work of the Polytechnic.

Implementation: External Relations Group, Faculties, the Liaison Group, the Co-ordinator for Continuing Education in a Multi-cultural Society.

2.4.4. as far as practicable, cater for the special dietary needs of staff and students.

Implementation: Catering and House Services Division.

2.4.5 give consideration to the religious observances of staff and students particularly in respect of examinations and other forms of assessed work.

Implementation: Secretary to produce a reference diary.

2.4.6 employ the appropriate existing procedures to deal with any alleged incidents of racism, whatever form they may take, whilst protecting the rights of all parties.

Implementation: Existing disciplinary and grievance procedures.

2.5 Monitoring, Evaluation and Development

As an aid to further development the Polytechnic will introduce a system of monitoring, to evaluate the effectiveness of its policies and the extent of their implementation.

As a means of achieving this objective the Polytechnic will:

2.5.1 establish a Liaison Group which will discuss matters relating to the implementation of the Policy and communicate any observations it may have to the relevant Polytechnic manager and/or to the Academic Board or its appropriate committee; membership will include, among others, representatives of staff and student ethnic minority groups in the Polytechnic, representatives of the recognised staff unions and the Students' Union and representatives of the Manchester Council for Community Relations and ethnic minority communities in the area.

Implementation: Recognised trade unions, the Students' Union and the Manchester Council for Community Relations to be consulted about the composition of this group.

2.5.2 require Faculty Boards to report annually on the implementation of those areas of the Policy falling within their remit.

Implementation: Faculty Boards.

2.5.3 review, and, where necessary, modify procedures for dealing with enquiries and complaints concerning alleged discriminatory practices.

Implementation: Secretary

2.5.4 introduce a system for monitoring according to ethnic origins (see Annexe);

It is recognised that this is a sensitive issue and the recording of ethnic origins of students and staff will be on a voluntary basis only. Nevertheless it is hoped that the majority will participate in this exercise, because the Polytechnic wishes to be informed accurately on the distribution by ethnic origin of:

i) the numbers of candidates applying to study or work in the Polytechnic;

ii) the distribution of students according to course of study, their progress and their rate of success in final examination;

iii) the distribution of staff according to job, grade, department, etc.

Implementation: See paragraph 4 below.

3. Reference is made above to certain responsibilities as identified with the proposed post of Co-ordinator for Continuing Education in a Multi-Cultural Society. It is envisaged that this post be established at Senior Lecturer/Principal Lecturer level on the teaching staff establishment, attached to the office of the Assistant Director (Academic). The responsibilities of the post would include liaison with Course Committees on the review of curricula, and liaison with ethnic groups. The proposed job description is as follows:

JOB TITLE:	Co-ordinator for Continuing Education in a Multi-Cultural Society.
GRADE:	SL/PL
REPORTING RELATIONSHIP:	Assistant Director (Academic)
OTHER ESSENTIAL CONTACTS:	Directorate, Deans, Heads of Department, Course Leaders, Admissions Tutors, Librarian, Head of Computing Services, Head of Educational Services, Student Services staff, External Relations Group, Liaison Group, CEDAT, Personnel Division.
MAIN PURPOSE OF JOB:	To promote the understanding and effective implementation of the Polytechnic's Anti-racist Policy for Continuing Education in a Multi-Cultural Society in so far as it affects the academic operation of the institution.
SPECIAL CIRCUMSTANCES:	It will be necessary for the person appointed to maintain links with local ethnic minority groups and organisatiaons.

MAIN TASKS OF POST:

1. To promote the effective implementation of the Polytechnic's policies with regard to multi-cultural education, to liaise with Course Leaders and Course Committees on the review of the multi-cultural aspects of courses currently offered and to stimulate consideration and discussion of future developments appropriate to the nature of contemporary society.

2. To disseminate information, research results and examples of good practice in the field of multi-cultural education, and to provide appropriate advice and assistance to all concerned with the provision and delivery of courses and the quality of the service the Polytechnic provides to its students.

3. To co-operate with Faculties and with CEDAT in providing opportunities for members of staff to engage in curricular discussion, particularly with representatives of ethnic minority groups, to increase their awareness of the need for a multi-cultural/anti-racist approach to education and the discouragement of racist stereotyping.

4. To assist in the establishment of close links with local ethnic community groups and organisations to advise them of the provision made by the Polytechnic, to discuss ways in which the institution might better respond to the educational needs of the people they represent and to encourage greater involvement of local ethnic minority groups in the life and work of the Polytechnic.

5. To conduct and supervise research in the area of multi-culturalism and/or anti-racism, and to assist in the provision of short courses in these areas.

6. To assist in the production of teaching materials to enable courses to develop in such a way as to meet the Polytechnic's policy objectives in the fields of multi-culturalism and anti-racism, and to co-operate with the Librarian in developing and maintaining a resource collection of research and other academic materials in these fields.

7. To advise the Assistant Director (Academic) on the development of procedures whereby the Polytechnic can assess the effectiveness of the implementation of the Anti-Racist Policy for Continuing Education in a Multi-Cultural Society in so far as it affects the academic operation of the institution.

8. To liaise with the Personnel Division to ensure consistency of approach.

9. To undertake teaching duties in the area of his/her expertise.

10. To undertake such other duties consistent with the grade of the post as may be assigned by theAssistant Director (Academic).

4. A more detailed comment should be made on the implementation of a system of monitoring according to ethnic origins, as envisaged in the policy statements.

(a) So far as students are concerned, it would be impossible to monitor the ethnic origins of all candidates unless the appropriate question were to be included in the standard application forms used by PCAS and the other clearing houses, and in the standard CDP form used for applications to courses where applications are received direct. These would all involve decisions by outside bodies. Assuming that such a question were introduced, the question of how the monitoring were undertaken would arise - eg could this be done by PCAS in the case of applicants for courses recruiting through that body? If the monitoring were to be undertaken by the Polytechnic, this could have staffing implications in view of the large numbers involved and the speed with which PCAS forms in particular have to be dealt with. The further question arises as to whether "application" statistics are meaningful, in that prospective students make multiple applications to universities, polytechnics and colleges on a scale which makes it impossible to identify firm applicants as compared with enrolments. It would be possible to monitor the ethnic origins of students actually enrolling by introducing a suitable question in the Polytechnic's enrolment form, and this would cover all categories of student, both full and part-time. Again, the actual mechanism for monitoring would need careful consideration, especially bearing in mind that the policy document envisages monitoring not only the distribution of students but also their progress and rate of success in final examinations.

(b) In the case of staff, the City Council agreed in principle some time ago to introduce a system of monitoring for all job applicants, and it has been the Polytechnic's intention to adopt a parallel scheme. However, it is understood that the City has not yet determined the form of the question to be asked and the categories to be specified. In view of the large number of applications currently received, with literally hundreds of candidates for some posts, the staffing implicatiaons of carrying out the monitoring exercise, even by a computerised system, will need careful evaluation. Information would also have to be gathered on existing staff, presumably subject to agreement with the various unions.

It is therefore proposed that these matters should be the subject of further consideration and investigation.

POLICY FOR WOMEN IN EDUCATION

The Academic Board at its meeting on 8 October 1986 endorsed a policy statement on women in education. This was presented to the Governors at their meeting on 31 October and approved, with the result that similar questions of implementation arise. Again, therefore, I set out the various policy objectives, together with the envisaged procedure for implementation. The numbering of the paragraphs follows that of the original document.

2.1 Admission and Support of Students

The Polytechnic recognises that if women are to have equal access to education its procedures for the admission and support of students must take account of the practical realities of many women's lives.

As a means of achieving this policy objective the Polytechnic should:

2.1.1 seek to make convenient and properly staffed nursery provision.

Implementation: A proposal for the establishment of a nursery is currently being costed and a report will be made to the Governors.

2.1.2 seek to ensure that the timing of classes is sufficiently flexible to take account of family commitments.

Implementation: Deans and Heads of Department

2.1.3 review its publicity material with the aim of ensuring that this is presented in a non-sexist manner and is designed to encourage all women to take up the educational opportunities it offers, particularly in those subject areas where women have traditionally been under-represented.

Implementation: External Relations Group

2.1.4 seek to ensure that its admission procedures enable each candidate's capabilities to be fully and sensitively assessed, and that due account is taken of the positive attributes which women can bring to the course by virtue of their particular experience and skills.

Implementation: Admissions policy monitored by Course Committees, Departmental, Faculty and Academic Boards.

2.1.5 review and, if necessary, make changes to its tutoring, counselling and other support services so as to ensure their suitability to the needs of women.

Implementation: Student Services

2.1.6 consider what provision needs to be made to ensure that women are safeguarded from sexual harrassment and attack both within buildings and as they move about the campus.

Implementation: Secretary to consider existing security provision; cases of alleged sexual harrassment by members of the Polytechnic to be dealt with through existing disciplinary and grievance procedures.

2.2 Course Content & Methods

The Polytechnic recognises that if it is to offer the best opportunities to all its present and potential students it must, through its Course Committees, take account of women's contribution to and perspectives on society.

As a means of achieving this policy objective the Polytechnic should:

2.2.1 provide opportunities and encouragement for staff to engage in discussion of the curriculum as it relates to women in education.

Implementation: CEDAT, Faculties and Departments

2.2.2 review course material with the aim of ensuring that sex-based traditional assumptions are discouraged.

Implementation: Course Committees, monitored by Departmental, Faculty and Academic Boards.

2.2.3 seek to resource the library to meet any resultant changes in course syllabuses.

Implementation: Librarian.

2.2.4 seek to provide a supportive learning environment which is non-sexist and which facilitates discussion and critical evaluation of ideas.

Implementation: Course Committees, monitored by Departmental, Faculty & Academic Boards.

2.2.5 seek to provide a degree of student choice in the form of options, projects, etc related to womens's issues.

Implementation: Course Committees, monitored by Departmental, Faculty & Academic Boards.

2.2.6 consider whether it is appropriate in any particular circumstances to run women-only courses or to arrange for women-only classes, particularly during a transition period in which most women have still been subjected to stereotyping which leads them to under-value their own skills as learners and as group participants.

Implementation: Course Committees, Departmental, Faculty & Academic Boards.

2.2.7 require Faculty Boards to indicate in their annual course monitoring and evaluation reports progress with regard to such matters as access, course content, teaching methods and new courses as these affect women.

Implementation: Course Committees, monitored by Departmental, Faculty & Academic Boards.

2.2.8 monitor and report upon the provisions of this policy in the validation and progress reviews of its courses.

Implementation: CNAA Courses Committee (or, under present arrangements, comparable body for non-CNAA courses).

2.3 Recruitment and Development of Staff

The Polytechnic is committed to the development of equal opportunities for women in terms of both employment and of influencing the character and direction of the institution through service on its policy making bodies; it recognises that the increased participation of women will enrich the institution as a whole.

As a means of achieving this objective the Polytechnic should:

2.3.1 draw up a detailed code of practice which will, inter alia,

ensure that appointment and internal promotion arrangements are fair to all and without discrimination;

provide equal opportunities and practical encouragement for women to participate in staff development exercises for the benefit of themselves and the institution;

Implementation: Personnel Division

2.3.2 seek to ensure that newly appointed staff are committed to the provisions of this policy.

Implementation: Personnel Division.

2.3.3 instigate, and continue to run as long as is necessary, courses designed to enable staff to examine and explore ways of changing those patterns of behaviour which can limit women's educational participation and achievement; it is recognised that it may take some time for sufficient awareness to permeate and for such courses to become unnecessary.

Implementation: Faculties, CEDAT, Personnel Division

2.3.4 seek to make convenient and properly staffed nursery provision.

Implementation: To be further reviewed in the light of arrangements made under 2.1.1.

2.4 Anti-Sexist Practices and Procedures

The Polytechnic will seek to identify and eradicate all practices, procedures and customs which discriminate either consciously or inadvertently against women.

As a means of achieving this objective the Polytechnic should:

2.4.1 seek to develop a physical environment and institutional ethos which reflects the fact that women make up half the population.

Implementation: The Assistant Directors responsible respectively for accommodation and for external relations.

2.4.2 employ the appropriate existing procedures to deal with any alleged incidents of sexism, whatever form they may take, whilst protecting the rights of all parties.

Implementation: Existing disciplinary and grievance procedures.

2.5 Monitoring, Evaluation and Development

The Academic Board will:

2.5.1 establish an Advisory Group the composition of which is at least 50% women;

2.5.2 require the Advisory Group:

(i) to review the present policy and its implementation;

(ii) to advise on the resource implications of the policy;

(iii) to bring to the attention of the Academic Board relevant developments and policies and other initiatives which bear on the issue of women in education;

2.5.3 require Faculty Boards to report annuallyon the implementation of those areas of the policy falling within their remit;

2.5.4 be provided annually with statistics of the following:

(i) the number of women applying to study or work in the Polytechnic;

(ii) the distribution of women students according to course of study, their progress on the course and their rate of success in final assessment;

(iii) an analysis of appointments and promotions according to sex, job grade and department;

(iv) the level of representation of women on the policy making bodies of the institution.

Implementation: As defined by its wording, implementation of the whole of this section rests with the Academic Board. It should be noted in passing however that, while it would be more straightforward to identify the sex of applicants from their application forms than it would be to establish their ethnic origin, the actual monitoring of women applicants, both for student places and for posts in the Polytechnic, is likely to present practical difficulties similar to those referred to in paragraph 4 above.

GENERAL

In the above paragraphs there are references in relation to both policy documents to the responsibilities of the Personnel Division of the administration. In addition, the Polytechnic has prepared a detailed draft code of practice on equal opportunities in employment which has been submitted for comments to trade unions and other relevant bodies prior to submission to the Governors. In order to ensure that the Personnel Division can play its full part in the implementation of the various procedures embodied in or arising from these documents, including the provision of appropriate courses of training, it is proposed that the staff of that division be augmented by the appointment of an Equal Opportunities Officer on grade SO1/2. The proposed job description is as follows -

JOB TITLE:	Senior Admin Assistant (Equal Opportunities)*
GRADE:	SO1/2
DIVISION:	Personnel
REPORTING RELATIONSHIPS:	Assistant Secretary (Personnel)
OTHER ESSENTIAL CONTACTS:	Directorate; Secretary; Deans; Principal Administrative Assistant (Personnel); Heads of Department/Division/Unit; Faculty Secretaries; Governors' Working Group; Co-ordinator for Continuing Education in a Multi-Cultural Society; Specialist Officers in statutory and voluntary bodies outside the Polytechnic with an involvement in the main responsibilities of the post; Trade Unions.
MAIN PURPOSE OF THE JOB:	To develop, in consultation with other relevant officers, practices and attitudes amongst staf which will further the positive development o the Polytechnic's policies in all aspects of equa opportunities in relation to employment. T monitor the operation of such policies an practices and to advise on revision which ma seem to be appropriate.
SPECIAL CIRCUMSTANCES:	It will be necessary for the officer appointed t maintain links with groups and organisatior active in the broad area of equal opportunities.

MAIN TASKS OF POST:

1 To review existing employment policies and practices and where appropriate to prepa proposals for their revision in the light of relevant existing equal opportunities poli statements in order to ensure the development of a programme of positive action.

2 To consider and make recommendations on the extension of equal opportunity policy areas not covered by existing statements.

3 To liaise with the Principal Administrative Assistant (Personnel) in order to produ programmes of training and staff development which are designed to combat all forms of unfair discrimination in employment and which a designed to encourage the development of positive attitudes in relation to eq opportunities in employment.

4 To meet with senior staff on a regular basis in order to encourage the development positive attitudes and commitment to all aspects of equal opportunities in employme

5 To meet, on a regular basis, with representatives of groups in the community who c contribute to the development of equal opportunities in the field of employment.

6 To initiate activities and practices which will encourage groups currently under-represented in the Polytechnic's workforce to apply for posts in the institution and to consider the initiation of staff development policies and practices which will encourage the participation of all existing groups of staff, particularly those currently under-represented in such activities, eg manual workers and part-time staff.

7 To introduce and develop a means of monitoring the success of policies and practices in relation to equal opportunities in employment.

8 To review existing job requirements and working practices to ensure that they do not operate to exclude unfairly prospective applicants or to inhibit unfairly the promotion opportunities of existing staff.

9 To prepare reports as required on equal opportunity matters for consideration by senior management.

10 To liaise with the Co-ordinator for Continuing Education in a Multi-Cultural Society to ensure consistency of approach.

11 To undertake such other relevant duties as may be assigned by the Assistant Secretary (Personnel), and agreed by the postholder; such agreement should not be unreasonably withheld.

*NOTE: Equal Opportunities is used as a generic term and will encompass both anti-racist and anti-sexist policy and practice alongside other activities designed to eradicate unfair discrimination against other groups or individuals, eg the disabled. In the context of this post the term refers to activities related to all aspects of employment as they affect existing or prospective employees of the Polytechnic.

CONCLUSION

7. The Academic Board has endorsed the above proposals and they are now submitted for the consideration of the Governing Body. The Governors are asked to approve the proposals for implementation of the two policy documents, together with the job descriptions for the posts of Co-ordinator for Continuing Education in a Multi-Cultural Society and Senior Administrative Assistant (Equal Opportunities), and to authorise the implementation of these two appointments.

K GREEN
Director

CNAA

FUTURE STRATEGY:

PRINCIPLES AND OPERATION

APR 1987

COUNCIL FOR NATIONAL ACADEMIC AWARDS

FUTURE STRATEGY : PRINCIPLES AND OPERATION

FEBRUARY 1987

Introduction

1 This statement sets out the strategy which Council has decided to adopt for the future. It reiterates the principles on which the strategy is based and describes in general terms how the strategy will operate.

2 The appendices are illustrative only. Definitive documents will be published later.

Principles

3 The key principles and convictions underlying the Council's future strategy are as follows :-

i) The main function of the Council is to work with institutions to maintain and enhance the standard of the awards conferred under the Council's Charter and to ensure that the awards are comparable in standard with those conferred throughout higher education in the United Kingdom.

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ii) The Council shall encourage the development of institutions as strong, cohesive and self-critical academic communities.

iii) The quality of higher education is most effectively maintained and enhanced where institutions carry the maximum possible responsibility for their own academic standards.

iv) The Council shall devolve responsibility for the maintenance and enhancement of academic standards to institutions to the extent that they are capable of discharging that responsibility.

v) The Council must be able to satisfy itself that all institutions' arrangements for the monitoring and review of courses and the academic standards achieved are satisfactory.

vi) The Council has a continuing responsibility to promote and disseminate good practice in public sector higher education by acting as a national centre for the exchange of intelligence on developments in course design, teaching, learning and assessment and by providing nationally collated information to assist institutions in course validation and review.

vii) A system of peer review, based on nationwide intelligence and drawing on persons from diverse backgrounds in higher education, industry, commerce and the professions, is of significant benefit and needs to be retained.

3/...

viii) In order to help to ensure greater emphasis on the standards achieved, the external examiner system needs to continue to be improved and strengthened.

ix) The Council needs to maintain a record of students who have received awards under its Charter.

x) The Council must be able to ensure that complaints and appeals concerning its awards and the courses leading to those awards are properly investigated and resolved.

xi) CNAA's processes must be as simple and cost-effective as possible.

Types of institutional relationship with CNAA

4 There will be two forms of institutional relationship with CNAA: accreditation and association. The academic standards required for CNAA awards will be the same under both forms of relationship.

5 All institutions currently offering courses leading to CNAA awards are hereby approved as associated institutions. Any institution may apply to be accredited. The relationships with the Council of both accredited and associated institutions will be periodically reviewed.

4/...

6 Accredited institutions will be fully responsible, under the CNAA Charter and Statutes, for maintaining the standard of courses leading to CNAA awards. Accredited institutions will have authority to approve new courses and modify existing courses. An institution will be accredited when the CNAA is satisfied that it has suitable experience of, and an appropriate organisation for, maintaining academic standards. Accreditation will be based on recognition of an institution's ability to set up and run satisfactory procedures for the initial validation and subsequent periodic review of all its taught courses leading to CNAA awards. (Appendices I, II and III).

7 Associated institutions will also have considerable responsibility for the maintenance of academic standards, but CNAA will continue to be responsible for the final approval of all courses leading to CNAA awards. CNAA will work in close partnership with associated institutions and will seek to ensure that its procedures are complementary to, and wherever possible joint with, the institution's internal procedures. Associated institutions will be able to apply to Council for substantial delegation of authority to make changes to approved courses and to undertake the planning and organisation of course validation and review exercises.

5/...

Obligations of institutions

8 All institutions will maintain the quality of their approved courses by means of regular monitoring and periodic review. Reviews of courses will cover not only aims, structure and content, but also teaching, learning and outcomes. All institutions will ensure that students are fairly assessed, and that awards are properly conferred (see paragraphs 29 to 40). All institutions will also be required to contribute actively to the development of peer review and exchange of intelligence on a national basis. Accredited institutions will have the additional obligations of being fully responsible under the CNAA Charter for the course validation, approval and review processes. The particular obligations of accredited institutions are outlined below.

9 Accredited institutions will make arrangements for all their taught courses or course schemes to be validated or reviewed every 5 - 7 years by groups including persons from outside the institution. The persons from outside should include persons with experience in industry, commerce or the relevant professions. CNAA Members* may act as external participants but this is not mandatory; CNAA officers will also be available to act as advisers. In order to contribute to the maintenance of the peer review system, it is anticipated that accredited institutions will invite CNAA members and officers to participate in a number of their course validation and review exercises.

* CNAA Members are members of CNAA committees and CNAA specialist advisers (see paragraphs 20 - 23).

6/...

10 Copies of the approved report of each validation or review exercise at accredited institutions will be lodged with the Council for information so that its records can be maintained. The Council will issue guidelines on the matters which such reports should cover. Accredited institutions will also provide Council with the latest version of the definitive document describing each course or course scheme and setting out the regulations which govern it. These records will be available to members and officers of CNAA, both to maintain their level of knowledge of what is happening in institutions, and to be used in the review of accreditation.

11 Accredited institutions will submit annually to the CNAA a brief report consistent with their delegated responsibilities. This report will certify whether all course validation and review procedures have been properly carried out; that all external examiner reports have been noted and where appropriate acted upon; that any reports which external examiners have asked to be referred to Council, have been so referred; and will refer specifically to exceptional cases where difficulties are being encountered with the maintenance of standards. Accredited institutions may also wish to supplement their annual reports with descriptions of successful developments or practices which will be of interest to CNAA members and contribute to the national pool of information on good practice.

7/...

Obligations of Council

12 The Council will arrange, or advise on the arrangments for, exercises to validate new courses and review existing ones.

13 The Council will provide CNAA Members, or offer advice to institutions on the choice of members, for course validation and review exercises. Council's officers will service exercises organised by the CNAA and will make themselves available to participate in institution-organised exercises whenever possible.

14 The Council will provide all institutions with advice on good practice in validation, monitoring and review, both through its publications and individually on request.

15 The Council will act as a national centre and focus for information and intelligence on curriculum development, course design, learning strategies, student assessment, performance criteria, credit transfer and other matters of common concern (see paragraph 18).

16 The Council will maintain a conferment record and make national information on awards achieved available for use in course reviews.

8/...

Council's Organisation

17 The Council will establish a Committee for Academic Affairs to take overall responsibility on its behalf for matters of academic quality. The accreditation of institutions will be dealt with by the Committee for Academic Affairs through an Accreditation Committee. (The Accreditation Committee will not be a permanent body; it will deal with the initial task of accreditation but its duties will be absorbed into the normal work of the Committee for Academic Affairs after about three years).

18 The Council will establish subject committees reporting to the Committee for Academic Affairs. The subject committees will be responsible for the validation, review and approval of courses at associated institutions. They will be responsible for taking a practical role in intelligence gathering and advice on good practice.

19 The organisation outlined above is that required for the granting of accreditation and for the validation, review and approval of courses.

Subject Committees and Specialist Advisers

20 Subject committees, each with a chairman and about twenty members, will be established by the Committee for Academic Affairs. Members will be drawn from higher education, industry, commerce and the professions. A list of the proposed committees and their areas of interest is given in Appendix IV; their terms of reference are in Appendix V.

9/...

21 There will also be a Council register of specialist advisers covering the different specialisms within the broad areas of interest of the subject committees ; some specialist advisers may be interdisciplinary. Individuals from the register of specialist advisers will be called upon in whatever combinations are needed for particular tasks. The specialist advisers will participate as members in course validation and review in both accredited and associated institutions, will contribute to the formulation and dissemination of national intelligence, and will give advice on external examiner appointments.

22 Some specialist advisers will also be members of subject committees. At least one third of the specialist advisers will have experience as external examiners.

23 The specialist advisers in particular fields will be supported by subject officers assigned to the appropriate subject committee. The duties and responsibilities of subject officers are summarised in paragraphs 24 to 28.

Subject Officers

24 The primary functions of subject officers will be to organise the validation and review of courses as required, to advise those institutions which are organising their validation and review exercises themselves, to service validation and review exercises or to participate in such exercises in an advisory capacity, and to act as secretaries of the subject committees.

10/...

25 Subject officers will gather and disseminate intelligence relevant to their area of interest: on new developments in subjects and courses, on approaches to teaching, learning and assessment, on employment needs and prospects, on trends in applications and in student performance, and other matters of interest. They will collaborate with other organisations that collect similar data.

26 Subject officers will gather intelligence, for example, from:

(i) validating visits to associated institutions and visits to accredited institutions by invitation;

(ii) definitive course documents from institutions;

(iii) reports of validation exercises in accredited institutions;

(iv) annual reports of institutions;

(v) meetings of and correspondence with subject committees and specialist advisers;

(vi) HMI reports, other reports, attendance at conferences.

27 Subject officers will not need to be subject specialists. They may include staff on secondment from institutions.

11/...

28 Subject officers will provide advice to institutions on request and take initiatives in disseminating information to enhance teaching and learning. They will also organise national meetings, including meetings of external examiners in particular fields of study.

External Examiners

29 Accredited and associated institutions will put forward the names of external examiners for CNAA approval at least six months before the term of office of the examiner is to begin. The form for nominating external examiners is shown in Appendix VI. A course must not be without an external examiner at any time.

30 Subject committees (advised by subject officers and specialist advisers) will consider the proposals for external examiners and will give approval or otherwise give guidance. A checklist for scrutiny of nominations is given in Appendix VII.

31 The role of external examiners will be to ensure that each student is fairly assessed and that the awards conferred in each institution are comparable in standard to the awards conferred throughout higher education in the United Kingdom. A Code of Practice for External Examiners for CNAA Certificates, Diplomas and Degrees will be issued (Appendix VIII).

12/...

32 External examiners will be appointed by, and be responsible to, the institution.

33 External examiners must make an annual report to the institution; a checklist of contents is shown in Appendix IX.

34 External examiners may require institutions to refer reports to CNAA if they are concerned about standards of assessment and performance. External examiners will always require their reports to be referred to CNAA in any cases where they have felt unable to sign the award list giving their assent to the recommendations which the Board of Examiners is putting forward. The annual report from an accredited institution to the CNAA must certify that all external examiners' reports have been scrutinised and appropriate action taken (paragraph 11).

Conferment of awards

35 All institutions will have the option either of preparing and issuing parchments themselves, subject to appropriate security,design and control standards, or of asking CNAA to continue to undertake the preparation and issue of parchments, including the preparation of some or all of the various lists required in the prior stages of the conferment process.

13/...

36 Awards will be conferred on the basis of the recommendations of the Board of Examiners as signed by the external examiners.

37 Conferment processes carried out at institutions will be subject to sample checking by CNAA.

38 Parchments will display the institution's name prominently. The design of parchments will be in accordance with a format agreed with CNAA. Each parchment will be numbered and the numbers will be recorded by CNAA. The precise details of the operation of these arrangements in relation to institutions wishing to prepare and issue parchments themselves will be published.

39 CNAA and institutions will establish security procedures for:

(i) safe custody of parchments;

(ii) protection over the digitisation of signatures;

(iii) proper issue of parchments;

(iv) safeguards against counterfeiting.

14/...

40 Awards conferred will have been granted under the Charter of the CNAA. Full details of conferments, whatever the option exercised, will be submitted by institutions for CNAA's records.

Complaints

41 The Council will establish a complaints procedure in consultation with institutions. The Council's validation and conferment records will provide the information needed for a preliminary assessment of the complaint. If the complaint cannot be resolved through the institution's own procedures or in collaboration with the institution at officer level, it will be referred to the Committee for Academic Affairs and thereafter, if necessary, to Council.

22.1.87

APPENDIX I

PROCEDURE FOR ACCREDITATION

Application to become an accredited institution

1 Having an Institutional Agreement is not a prerequisite for applying for accreditation. It is likely, however, that some institutions with agreements could move smoothly and quickly into accreditation.

2 A written application for accreditation from the institution's academic board endorsed by its governing body will be received at CNAA.

3 There will be no standard form of application; institutions seeking accreditation will simply be asked to describe how they propose to fulfil the obligations of an accredited institution as set out in paragraphs 8 to 11 of the main paper.

4 The timetable for dealing with applications for accreditation is given in Appendix III.

5 CNAA officers will receive the institution's proposals and if necessary, liaise with the institution to clarify any points that seem likely to be raised by the Accreditation Committee. The proposals will then be scrutinised by a small group of members of the Accreditation Committee who may or may not judge it necessary to visit the institution.

6 The Accreditation Committee will then consider the application and will either recommend to Council that the institution be accredited or will refer the proposal back to the institution for further consideration. If Council approves a proposal for accreditation, an Instrument granting delegation of powers and stating the obligations of each party will be prepared. This will be similar to, but simpler than, the present form of Agreements.

7 Subject committees will not scrutinise applications for accreditation because, as set out in paragraph 6 of the main paper, accreditation is concerned with arrangements for the maintenance of quality and is not intended to signify that an institution's courses are of higher quality than those at other institutions.

Renewal of accreditation

8 Every five to seven years the Council will arrange a review to decide whether an accredited institution should continue in accreditation. This will provide an opportunity:

(i) for the institution to evaluate the performance of its arrangements for maintaining and enhancing the quality of its CNAA courses in terms of structure, content, delivery and outcomes;

(ii) for the Council to evaluate the effectiveness of its own contribution to the maintenance and enhancement of the quality of courses in the institution.

9 The objectives of the review will be:

(i) to enable the Council to approve continued accreditation and to provide such advice to the Academic Board as it considers necessary; and

(ii) to enable the institution to recommend to the Council improvements in Council's arrangements for the maintenance of quality.

10 The criterion for continued accreditation will be the same as for the grant of accreditation: the institution's ability to demonstrate that it has fulfilled its obligations as an accredited institution and can continue to do so (see Appendix II). There will be no one model for a review, but it will usually involve more than a single event. There will be an exchange of documents and comments followed by meetings of CNAA and institutional representatives.

Withdrawal of accreditation

11 Withdrawal of accreditation, which in extreme cases could take place between reviews as well as being a possible outcome of review, will result from evidence that an institution is failing to fulfil its obligations to maintain the standards of its courses leading to CNAA awards. For an accredited institution, evidence of this kind will be taken to show that the institution's procedures for maintaining quality are not working. Withdrawal of accreditation will also result from an institution's failure to fulfil its obligations as an accredited institution, for example, by failure to provide adequate validation reports, pass on external examiners' reports, or provide conferment information.

APPENDIX II

REQUIREMENTS FOR ACCREDITATION

1 The Instrument of Accreditation:

(i) requires the institution and the Council to co-operate in the development and enhancement of course quality through devolved course validation, approval and review;

(ii) devolves powers on the Academic Board to carry out course validation, approval and review subject to specific control and information requirements for a period of 5 - 7 years.

2 The control and information requirements include:

(i) the Council's policies to be implemented;

(ii) the Council's regulations to be followed;

(iii) external examiners to be approved by Council;

(iv) institutions to have satisfactory student appeal and student grievance arrangements for courses leading to CNAA awards;

(v) an Annual Report to be provided;

(vi) the provision of reports on validation and review exercises;

(vii) the provision of definitive course documents;

(viii) Council to have the right to call for information and reports or to intervene on good cause.

3 Questions to be considered when dealing with an application for accreditation are listed below.

(i) Are there established effective procedures for the initial validation, regular (normally annual) monitoring and periodic (normally 5 - 7 yearly) review of all taught programmes leading to CNAA awards?

Do these procedures ensure that:

(a) annual monitoring covers amongst other things :-

- external examiners' reports
- pass rates
- withdrawals
- student and staff comment on courses
- first destination statistics
- changes in supporting facilities

(b) the initial validation and 5 - 7 yearly review of programmes are undertaken by groups including institutional and external members, able to contribute to informed and impartial judgements on academic quality;

(c) validation and review take account of
- the results of monitoring, particularly of student performance and destinations,
- general issues emerging from external examiners' reports concerning the design, delivery and standards of courses,
- course objectives, syllabuses and assessment methods,
- the quality of the teaching and the staff development, research and related activities which support teaching,
- the quality of libraries and other supporting facilities,
- the experience of students and staff;

(d) the quality of programmes leading to CNAA awards will be maintained at a level acceptable to the Council?

(ii) Is the institution committed to the maintenance and development of a system of national peer review in higher education?

4 The Instrument of Accreditation will require the Council to support the devolved validation and review arrangements by providing policy and briefing papers, by indicating current national concerns and issues, by acting as the national support system for devolved validation. It will also include provision for the review of accreditation every 5 - 7 years or at such earlier stage as may be necessary if there are significant changes in the circumstances of the institution (eg merger with another institution) or there is evidence that the institution is failing to maintain standards.

APPENDIX III

TIMETABLE FOR ACTION ON ACCREDITATION

Notes

1. It is assumed that the Council's policy and action plan will be approved in February 1987.

2. It is assumed that the Council should provide the means by which a substantial number of institutions could be accredited in the session 1987-88 and a similar number in the year 1988-89.

3. The dates of review will have to be staggered to avoid a major review problem in 5-7 years time.

TIMETABLE

January-March 1987	Decisions on composition, terms of reference and membership of the Accreditation Committee. Detailed planning of procedures for dealing with applications.
March 1987	Formation of Accreditation Committee. Development of Instrument of Accreditation.
April 1987	Instrument of Accreditation approved by Council.
May 1987	Press conference and launch of accreditation policy. Simultaneous transmission to institutions and use of newsletter as part of launch. Announcement that applications may be submitted.
May - July 1987	First applications received. Officers liaise with institutions and plan workload for autumn meetings of Accreditation Committee, setting up scrutiny meetings and where necessary visits for summer and autumn terms.

October 1987	Large number of applications expected. Officers plan scrutiny meetings; visits and scrutinies continue.
November 1987	Council approves first accredited institutions. Press conference arranged.
	Accreditation Committee considers further proposals. Planning continues for Spring term workload.
December 1987	Council approves more accreditations.
	Rolling programme continues. As applications come in, officers allocate provisionally to Accreditation Committee timetable, in consultation with institution, and arrange scrutiny meetings.
January 1988	Similar cycle to that described above ending in May.
	Continue into 1988-89.

APPENDIX IV

SUBJECT COMMITTEES

Under each Committee is an indication of its areas of interest. These are not intended to be definitive or exclusive : there will be many areas of interaction and overlap both within and between Committees.

Committee for Engineering
(Computing, materials technology, metallurgy, all engineering except civil)

Committee for the Built Environment
(Architecture, building, civil engineering, building services engineering, landscape architecture, surveying, town planning)

Committee for Physical Sciences
(Physics, chemistry, materials science, geology, mathematics, statistics)

Committee for Life Sciences
(Biological sciences, medical laboratory sciences, pharmacy, environmental sciences, biotechnology, sports science, psychology)

Committee for Health Studies
(Chiropody, dietetics, nursing, occupational therapy, physiotherapy, speech therapy)

Committee for Consumer Studies
(Home economics, hotel and catering studies)

Committee for Art and Design
(Fine art, fashion, photography, graphic design, 3-D design, history of art and design)

Committee for Humanities
(Languages, history, philosophy, theology, religious studies, English and literary studies, area studies, linguistics)

Committee for Information Studies, Business and Management
(Accountancy, business, commerce, management, secretarial studies, leisure management and tourisim, librarianship and information studies)

Committee for Social Sciences
(Economics, geography, law, politics, sociology, social work, public administration, communication, and cultural studies)

Committee for Teacher Education
(Initial and in-service teacher education)

Committee for Performing Arts
(Music, drama and theatre, dance, relevant visual arts)

APPENDIX V

TERMS OF REFERENCE FOR SUBJECT COMMITTEES

(i) To advise the Council, through the Committee for Academic Affairs, on matters of policy, regulation and standards in the relevant fields of study.

(ii) To enhance the quality of the courses leading to the Council's awards by:
- preparing policy and advisory statements
- promoting the exchange and evaluation of information about curriculum development and course design, about developments in teaching and learning and about student assessment and performance criteria.

(iii) To validate and review courses leading to the Council's awards in accordance with the arrangements approved by the Council; to encourage the development of institutional responsibility for courses; to develop and improve arrangements for validation and review in co-operation with institutions; and to advise Council on changes in validation and review arrangements.

(iv) To provide members to assist in validation or review exercises arranged by institutions.

(v) To approve the appointment of external examiners on all courses leading to CNAA awards.

(vi) To receive and discuss information and reports on validation and review on a national basis, and to initiate studies and development projects in co-operation with other interested bodies.

(vii) To consider, at the request of the Committee for Academic Affairs, information on matters of academic quality at particular institutions and to advise on the action, if any, that should be taken.

(viii) To maintain liaison with relevant professional bodies.

(ix) To encourage research and related activities and to advise the Committee for Academic Affairs accordingly.

(x) To nominate persons to be appointed to the Council's register of specialist advisers.

(xi) To undertake such other tasks as the Council or Committee for Academic Affairs may require.

APPENDIX VI

COUNCIL FOR NATIONAL ACADEMIC AWARDS CNAA13(1987)

Application for approval of an external examiner for a taught course

Please complete and return this form to the appropriate Divisional Administrative Assistant at CNAA, 344-354 Gray's Inn Road, London WC1X 8BP, at least SIX MONTHS before the date of the first assessments with which the proposed examiner will be associated. The form may be used to propose NEW appointments, EXTENSIONS of appointment, and REALLOCATIONS of duties between approved examiners.

1	Name of institution	
2	Details of course (a) award to which course leads (b) course title (c) mode of attendance (d) length of course	
3	Full name, title and qualifications of proposed examiner	Surname.....Title..... Forename(s)..... Qualifications..... .....
4	Present post and place of work, with full address (if retired give details and dates of last post, and home address)	
5	Subject(s) to be examined (any assessments for which examiner will have particular responsibility. If possible give average numbers of students to be examined) If duties are being reallocated give details here.	
6	Relevant experience over last FIVE years as (a) external examiner (b) internal examiner (c) in other role (if NO experience as external examiner attach curriculum vitae	
7	Any other relevant current academic/industrial/commercial/ public service role	

8	Other current external examiner appointments for CNAA, a university or other body, with dates of appointment (if proposal will lead to total of more than equivalent of two substantial undergraduate appointments please give reasons in support of proposal)	
9	Any previous/current association with institution/course/ individual staff or students	
10	Proposed period of tenure (normally four years, from start of term before the term in which first assessments take place to end of term after the term in which last assessments take place.) If an extension is being proposed, please give reasons	From.....(month).....(year) To.....(month).....(year)
11	Name, post, place of work and period of appointment of examiner being replaced (new examiner should take up appointment immediately on retirement of previous examiner)	Name..... Post/Place of work..... ..... Appointed from..... To.....
12	Details of external examiner team (name, place of work, position in team and dates of appointment of other proposed/ approved external examiners. Indicate those not yet approved by CNAA with an asterisk)	
13	If a tiered examination scheme has been approved, indicate proposed examiner's place in the structure and which meetings examiner will be required to attend	

Signed.....(For Academic Board).....(Date)

Name.....Position.....

Address.....

.....

APPENDIX VII

CHECKLIST FOR SCRUTINY OF EXTERNAL EXAMINER NOMINATIONS

1 Are the proposed external examiner's academic/professional qualifications appropriate/adequate in relation to the course to be examined? (Boxes 1,2,3 see also 6 and 9)

2 Do the examiner's post and place of work indicate that he/she has appropriate standing/experience (Box 4) and is still sufficiently in touch with the subject as taught at present? (Box 4; see also Box 6)

3 Is the examiner's expertise suitable for the particular subjects to be examined? (Box 5)

If duties are being reallocated, will this result in assessments being dealt with by suitable examiners? (Box 5)

4 Has the proposed examiner enough recent examining or related experience to indicate competence in assessing students in this subject area? If not, does the c.v. indicate a good level of subject expertise? (Box 6)

5 Will the proposed period of tenure allow the examiner to be associated with all aspects of assessment including drafting examination papers? (Box 10)

If an extension is being proposed, are there supporting reasons which outweigh the need for regular changes of examiner (e.g. need for continuity, difficulty of replacement)? (Box 10)

6 Do the examiner's other current roles provide supporting evidence for approval of nomination?
(e.g. is there evidence of expertise in subject and experience in judging performance?) (Boxes 6, 7, 8)

7 Is the examiner being replaced from the same institution as, or otherwise closely associated with, the proposed new examiner? (Box 11)

Does the new examiner's expertise adequately replace that of the previous examiner? (Box 11)

8 Is the proposed examiner's workload equivalent to two substantial undergraduate appointments when the present appointment is added? (A rough guide to a substantial u.g. appointment is 50 students taking 12 assessments of which one is a project and one is based on continuous assessment.)
(Box 8)

If the examiner holds other non-university appointments, do the assessments take place at the same time of year? If the workload will exceed the norm are there good supporting reasons? (e.g. shortage of suitable examiners with right expertise/experience/ability to compare performance of students with peers on other courses.) (Box 8)

9 Has the proposed examiner had any close involvement, which might compromise objectivity, over the last five years with the students, or with the course, or with the institution? (Box 9)

10 Will the proposed examiner complement the rest of the team in terms of expertise and experience appropriate to the course being assessed? (Box 12)

APPENDIX VIII

EXTERNAL EXAMINERS

Principles

1 Under CNAA's present Regulations, approved Boards of Examiners carry sole responsibility for recommending the conferment of an academic award upon a student and are thus the ultimate guardians of the standards of the Council's awards; that standard is required by the Charter to be comparable with the standard of university awards.

2 As members of Boards of Examiners, external examiners have a particular responsibility to ensure that standards and comparability are maintained and that justice is done to the individual student.

3 The purpose of assessment procedures is to enable students to demonstrate to examiners that they have fulfilled the objectives of the course and reached the standard required for the award.

4 Fair and effective assessment requires suitable methods to provide evidence for examiners, and careful judgement of that evidence by a balanced team.

5 Course review should take account of the comments provided by external examiners on the effectiveness, as demonstrated by student performance, of teaching and assessment in relation to course objectives.

Procedures

6 All programmes of study leading to CNAA awards will have approved Boards of Examiners which include external examiners nominated by the institution and approved by CNAA. Institutions are responsible for the payment of external examiners.

7 Institutions should nominate external examiners at least six months before the first assessments for which they will be responsible, so that CNAA can approve them before they take part in the setting of papers. This will normally mean summer term nomination for autumn term approval.

8 No course should be without an external examiner at any stage. External examiners should be appointed for one further term beyond the last assessments which they are assigned, to deal with appeals and re-examinations. Newly appointed examiners take up their appointments on the retirement of their predecessors.

9 External examiners should not normally hold more than the equivalent of two substantial undergraduate course appointments at the same time.

10 External examiners should not have taught on a course for which they are invited to act as externals. They should not have had any close association with the appointing institution, the course or individual members of the course teaching staff in the previous four years. Mutual appointments should be avoided. External examiners should not act as validators or advisers for a course which they examine.

11 New external examiners should visit an institution on taking up appointment, to be briefed on the course objectives, curriculum, syllabus, teaching methods and assessment regulations and methods.

12 The CNAA will organise induction meetings for external examiners. These will be related to a programme of meetings for external examiners, chairmen of Boards of Examiners and CNAA specialist advisers, to exchange views on good practice in assessment and examination, and its relationship to the development of curricula, teaching and learning.

13 External examiners should always scrutinise samples of the work of students being proposed for each degree classification, of all students being proposed for first class degrees or failure, of all proposals near the remaining borderlines, and in all cases where internal examiners have been unable to agree the class of mark.

14 External examiners must:

(i) be consulted over the drafting of final examination papers and the design of all assessments that contribute to the award of a degree;

(ii) be made aware of their right, if members of a subsidiary Board of Examiners, to attend the Main Board.

15 External examiners will certify that they have been present at the Examination Board meeting at which decisions are taken on award recommendations; or if unavoidably unable to be present, have subsequently assented to the recommendations;

APPENDIX IX

EXTERNAL EXAMINERS' ANNUAL REPORTS

External examiners will make an annual report to the Academic Board of institutions on the conduct of the examinations just concluded and on issues related to assessment, including

(i) the overall performance of the students in relation to their peers on comparable courses;

(ii) the strengths and weaknesses of students as a group or as individuals;

(iii) the quality of knowledge and skills (both general and subject-specific) demonstrated by the students;

(iv) the structure, organisation, design and marking of all assessments;

(v) the quality of teaching as indicated by the student performances;

(vi) the lessons of the examination and assessment for the curriculum, syllabuses, teaching methods and resources of the course;

(vii) any other recommendations for course improvement based on the experience of examining.

External examiners' reports and a record of the institution's responses will be part of the documentation for course review, however conducted.

10

Mr. Rempfk.

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

Andy

Already dealt with
[illegible]
25/2

Confirmation copy
of earlier fax

[illegible] 24/2

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

PRIME MINISTER

SOLIHULL CITY TECHNOLOGY COLLEGE

1. The first City Technology College was launched successfully in Solihull this morning, sponsored by the Hanson Trust in association with Lucas Industries.

2. I hope very much that you will feel able to send the attached letter thanking Lord Hanson and his colleagues for their involvement.

3. We needed a major company to accept the responsibility of being first to declare their public support for this initiative. I am delighted that a company as prestigious as Hanson Trust were willing to do so, and I am sure that they would value a note of appreciation from you.

KB

24 February 1987

Department of Education and Science

DRAFT

Lord Hanson
Chairman
Hanson Trust PLC
180 Brompton Road
LONDON
SW3 1HF

February 1987

SOLIHULL CITY TECHNOLOGY COLLEGE

I am writing to say how delighted I am that the Hanson Trust are to sponsor the first City Technology College.

Your support for this initiative is an example of the leadership and vision on which our future as an industrial nation depends. It was particularly valuable that Gordon White was able personally to attend the launch in Solihull and thus demonstrate the involvement of one of our major industrial enterprises.

I believe that Hanson Trust have shown the way forward and I hope many other companies will follow your lead.

CC B/UP.

PRIME MINISTER 24 February 1987

Future of the Polytechnics

In considering the future of the polytechnics it is crucial not to miss the wood for the trees. Kenneth Baker has sent across technical papers papers which address earlier points you have raised. As a response to these matters - on issues such as the criteria for selecting the transferred institutions and the powers and duties of the new funding body (Polytechnics and College Funding Council) - they are a distinct step forward.

The following issues still need addressing:-

1. Replacing grants by contracts.

This is an important change of emphasis. Kenneth Baker is absolutely right to want to get away from the idea of grants as a continuing entitlement to these institutions regardless of how they perform.

The precise nature of these contracts however is not clear. The contracts will deal inter-alia with:-

(a) student numbers;

(b) development of new courses and initiatives;

(c) research activity;

In addition the contracts will be used so that institutions are:-

(d) rewarded for high academic standards;

(e) penalised if they fail to meet targets;

(f) encouraged to expand if successful and contract or even close if not.

These are laudable objectives. While they are strong on intention they are, perhaps not surprisingly, weak on detail. It is important to press Kenneth Baker to find out how they will work in practice.

2. Composition of the new PCFC

Within the new system the new Polytechnics and Colleges Funding Council (PCFC) is a crucial body. The Chairman is to be appointed by the Secretary of State. The Council is to be "small and high powered. Membership will include a substantial proportion of employers, plus leading academics and administrators with a proven track record."

It is vitally important that this body is not dominated by academics and administrators within the polytechnic sector. You should ask Kenneth Baker to give details of its composition before you agree to it.

3. Centralising power and market forces

By far the most difficult issue raised by these reforms (as well as those of the Croham Report for universities) are the increased powers which it gives the centre especially the new funding bodies. By being able to draw up and issue contracts over such detailed matters as student numbers and research the PCFC becomes a very powerful body indeed.

The Secretary of State will argue that these proposals are likely to give improved value for money within the present system. This is almost certain to be true especially over a few years.

But in the longer term what happens if the central body turns out to be like many other planning bodies? After all what these reforms are doing is to transform higher education into more of a planned economy in which central government through these new bodies exercise more detailed control over the institutions.

The alternative way forward would be to increase student choice - and let money follow the students. This is something which is being effectively ruled out by these reforms.

Kenneth Baker will argue that the initial 2-3 years of the next Parliament will be taken up with schools reform and we will not have time for further reform in higher education. This is a fair point. It is important nevertheless that when we announce these changes we also make it clear that we are concerned about increasing student choice and that we do not intend higher education to become a dirigiste sector.

The Secretary of State will I feel sure not wish to face up to this issue. Unless we make a definite commitment now, we will find it very difficult to change course in a few years.

Recommendations

a. Ask the Secretary of State to develop further his ideas on contracts.

b. Ask the Secretary of State to outline the composition of the PCFC in detail before agreeing to it.

c. Why not set up a Working Party which reports in say a year's time, under the chairmanship of a known and committed entrepreneur in higher education such as John Ashworth, Fred Crawford or Henry Chilvers, with terms

of reference as to how to increase effective student choice and foster enterprise within the system.

BR

BRIAN GRIFFITHS

FUTURE OF THE POLYTECHNICS: EXTRACT OF DRAFT WHITE PAPER ON HIGHER EDUCATION

PART OF CHAPTER IV: CHANGES IN STRUCTURE AND NATIONAL PLANNING FOR HIGHER EDUCATION

4.1 Previous chapters have indicated the range of sound achievement in recent years; there is much to be proud of in all sectors of higher education in this country. But they also draw attention to weaknesses in the management and structure of the system. These are serious in much of the sector of higher education in England [and Wales] which contains the polytechnics and the maintained and direct grant colleges, and the following paragraphs announce radical changes here. Significant development is also needed in the shape and constitutional position of the University Grants Committee (UGC), as examined in the Report of the Croham Committee's Review. This chapter covers that matter also. Finally it deals with [reform of] the arrangements for higher education in Scotland.

THE POLYTECHNICS AND COLLEGES SECTOR IN ENGLAND [AND WALES]

4.2 This sector of higher education has in recent years been commonly called "the public sector of higher education". But it is misleading to imply a fundamental divide between universities and other institutions also providing higher education and also heavily dependent on public funds. The Government finds the term "public sector" used in this way unhelpful and, moreover, inconsistent with its desire to see all higher education institutions do more to attract private funding. It therefore seeks to lead a move away from use of this term to describe a part of higher education and, in its place, this White Paper speaks as above of the "polytechnics and colleges sector".

Background

4.3. In England [and Wales] about 400 institutions outside the universities provide higher education: 29[30] polytechnics and over 340 other colleges under LEA control, plus 30 voluntary and other colleges directly funded by the DES. Some of the local authority institutions have corporate status but the majority are maintained institutions which are part of the local authority, in essentially the same way as most schools and other further education establishments.

4.4 The polytechnics and other colleges play a distinctive and increasingly important part in higher education, particularly in technological, technical and other vocational fields.

[PIE CHARTS here showing composition of this sector of HE by

(a) mode of study; and

(b) level (degree/sub-degree)]

They now provide for over half the higher education students in England [and Wales].

[CHART here showing time series bar chart comparing student numbers, broken down by level of study in the universities and polytechnics and colleges sector, in 1975, 1979 and 1985]

4.5. The resources devoted to higher education outside the universities in England [and Wales] in 1985-86 amounted to some [£783 m] (current) and [£45 m] (capital). Most of the expenditure of the local authority colleges is pooled between all authorities.

[CHARTS here showing

(i) The proportion of local authority expenditure on FE;

(ii) the division of FE expenditure between HE and NAFE; and

(iii) the sources of funding for polytechnics and other HE colleges]

The Secretary of State for Education and Science determines the total amount which can be pooled and allocates funds and places between individual colleges and areas of study in the light of advice from the National Advisory Body for Public Sector Higher Education (NAB). The local authorities have 6 out of 8 seats on the NAB Committee.

Transfer of Major Colleges from Local Government

4.6. The Government acknowledges the contribution which local government has

made to the development of higher education and recognises that many local authorities handle their responsibilities for their higher education colleges constructively. It has, however, concluded, for the reasons set out below, that it is no longer appropriate for polytechnics and other colleges predominantly offering higher education to be controlled by individual local authorities:

Role

* Polytechnics have strong national, as well as regional and local roles. They recruit students nationally and meet the needs of employers nationwide.

* Polytechnics offer all major subjects except medicine. After two decades they are firmly established and cater on average for a larger number of students than universities.

* They, other colleges maintained and assisted by local authorities, and the voluntary and direct grant colleges, are acknowledged to make a high-quality contribution to higher education, distinct from that of the universities.

[DIAGRAM here showing relative size and range of work of 3 representative polytechnics]

Planning

* The funding arrangements for higher education in the polytechnics and colleges have long recognised that it is neither desirable nor appropriate for each local authority to plan and fund its institutions in isolation. Few local authorities are able to promulgate a policy for higher education in their institutions even though they have responsibility for determining the character of educational provision in their areas.

* The existing national planning arrangements are unsatisfactory. More progress needs to be made in rationalising scattered provision and concentrating effort on strong institutions and departments.

* Progress in educational planning will be more not less necessary if the polytechnics and other colleges are to meet the changing needs of industry and commerce in the 1990s and provide in new ways for the wider range of students discussed in Chapter II.

* This calls for a more effective lead from the centre and the reward of success and enterprise in meeting new national needs, in place of a system giving undue weight to local interests.

* In particular, polytechnics should be free from local constraints and encouraged to build on their individual strengths so that some at least can become recognised leaders in particular vocational and technological fields.

Management

* It is widely acknowledged that the present relationship between local authorities and their polytechnics and colleges can and often does inhibit good institutional management. It also inhibits the desirably closer relationship between institutions and industry and commerce through consultancy and other services.

* Many local authorities apply to their higher education institutions inappropriate detailed controls, some of which are designed for much smaller institutions or other services.

* The governors, directors/principals and other senior staff of many polytechnics and colleges are prevented from managing their financial and staffing resources to best effect, and from developing to the full the maturity and responsibility appropriate to higher education institutions.

* There have been examples of objectionable political interference by some authorities in the work of some institutions.

4.7 It is sometimes suggested that the simple grant of corporate status to polytechnics and other local authority colleges would satisfactorily resolve these difficulties. The Government does not agree. Even if institutions had corporate status, local authorities would still be able to impose financial and staffing constraints by attaching conditions to their funding. Nor would grant of corporate status do anything to remedy deficiencies in the present national planning arrangements. It is more likely that widespread grant of corporate status would serve only to create new tensions between supposedly self-managing institutions and local authorities which would continue to see themselves as ultimately responsible for the institutions' financial and academic policies.

4.8 The Government therefore intends to secure the re-establishment of the polytechnics and other institutions of substantial size engaged predominantly in higher education as free-standing outside local authority control. By "of substantial size" is intended with 350 or more full-time equivalent home and European Community higher education students and by "engaged predominently in higher education" is meant with more than 55% of their activity in higher education - both measured by the most recent Further Educational Statistical Record. The institutions which will be transferred from local government are the 57 listed at Annex [ ].

[The Annex will also include a MAP showing the institutions.]

Those institutions with fewer than 350 students will have the choice to opt in. Those colleges whose main concern is non-advanced further education will remain in local government.

Institutions in the New Sector

4.9 The polytechnics and other transferred colleges will each

- be established with corporate status, as companies limited by guarantee
- under new Instruments and Articles of Government, acquire Boards of Governors with strong representation from local and regional industry, commerce and the professions, and where dominance by local authority representatives is no longer possible
- employ their own staff
- hold their assets, subject to the transitional arrangements described in paragraphs 4.25-26 below.

4.10 There is no intention that the local and regional links and roles of the institutions concerned should be diminished; on the contrary these should remain a distinctive feature. Local links have usually been formed by the efforts of institutions rather than through the agency of the local authority. It is the Government's conviction that they will want to continue these efforts and that the regional dimension could be strengthened with removal of the single local authority tie.

4.11 The Board of Governors of each institution will comprise 20-25 people, of whom about half will be local and regional employers or representatives of the professions. The initial composition of the employer/professions group will be approved by the Secretary of State on the basis of local advice; thereafter its members will select their successors after consulting relevant local bodies. Other members will be appointed by named constituencies in stated proportions or co-opted. Each Board will elect its own Chairman.

4.12 The Governors will have wide powers to determine the affairs of the institution. The Director of each institution will report uniquely to the Governors.

4.13 The academic work of all the transferred institutions will continue to be validated by CNAA, universities or BTEC as appropriate, and will be subject to inspection by Her Majesty's Inspectorate.

4.14 The provision of public money on the appropriate scale for the colleges transferred from local government will become the responsibility of Central Government. The equivalent of pooled expenditure will be transferred out of Aggregate Exchequer Grant (AEG) and provision for capital expenditure in the transferred colleges will be deducted from provision for local authority capital expenditure. Certain of the transferred institutions currently receive resources from their LEAs over and above the allocations from the pool. The Government expects LEAs progressively to phase out subsidies in continuation of recent trends: it will consider in the light of progress towards this objective whether to take account of the extent of any remaining subsidy in the adjustment of AEG consequent on the transfer of these institutions or by other means.

Funding: the Government's Approach

4.15 Polytechnics and colleges are at present almost wholly dependent on public funds for their recurrent and capital expenditure. The funds they receive have usually been described as "allocations" or "grants", paid by a local authority or central Government. Payment of grants from public funds to higher education institutions does not imply, in the Government's view, unconditional entitlement to support from the taxpayer at any particular level. The resources made available are intended to secure delivery of educational services which are of at least satisfactory quality and which are responsive to the needs of students and employers. Institutions receiving public funds are accountable for the uses to which they are put and for the effectiveness

and efficiency with which they are employed.

4.16 The Government therefore proposes, in place of grants, a system of contracting between institutions and the new planning and funding body described in the following paragraphs. Its intention in making this change is to:

* encourage institutions to be enterprising in attracting contracts from other sources, particularly the private sector, and thereby lessen their present degree of dependence on public funding

* sharpen accountability for the use of the public funds which will continue to be required

* strengthen the commitment of institutions to the delivery of the educational services which it is agreed with the new planning and funding body they should provide.

The Government recognises that a system of contracting must be so designed as to avoid damage to aspects of the work of institutions, such as the advancement of learning, which cannot readily be embraced by specific contractual commitments. It also acknowledges that the system must make allowance for the time needed to develop courses to the point at which they become operational and start to recruit students.

Funding: Polytechnics and Colleges Funding Council (PCFC)

4.17 The new polytechnics and colleges sector of higher education will comprise the transferred colleges listed in Annex [ ] and the voluntary and other direct grant colleges listed in Annex [ ]. The planning of this sector and the allocation of resources within it will require the establishment of a new body, which it is proposed to call the Polytechnics and Colleges Funding Council (PCFC). The NAB with its local authority majority will cease to be an appropriate planning body and will go out of existence. The Government will consult with the voluntary colleges about whether the Voluntary Sector Consultative Committee should continue in being and, if so, about its relationship to the PCFC.

4.18 The PCFC, like the Universities Funding Council (present UGC - on whose development see paragraphs [4 ...]) will be an independent non-departmental body

under the sponsorship of and appointed by the Secretary of State for Education and Science [in consultation with the Secretary of State for Wales]. It will have a small membership with a strong industrial and commercial element, as well as members from the institutions. The Secretary [Secretaries] of State will provide general guidance to the PCFC on its work and will have reserve powers of direction. It will be appropriate for the Council to establish arrangements for consulting with the local authorities about their residual interest in higher education and about the small amount of non-advanced further education which remains in the transferred colleges.

4.19 The main tasks of the PCFC will be to:

(i) contract with institutions, using the recurrent funds supplied by Government, for the provision of higher education; including, where appropriate, the development of new courses and initiatives and research activities (see also paragraph [3. ..]);

(ii) make funds available for capital expenditure by institutions, from those supplied by Government and from any money available for re-cycling from disposals of property by institutions (but see also paragraph 4.25 below);

(iii) subject to what is said in paragraph 4.22 about initial teacher training, plan the educational provision in the sector;

(iv) encourage institutions to co-operate in the development of good management practice; and

(v) have power to contract for provision of some of the higher education in colleges which remain under the control of local authorities (see para 4.23).

The Government will consult further on the PCFC's precise terms of reference.

4.20 The development of the system of contracting discussed in paragraphs 4.15-16 above will be a matter for the PCFC, subject to any guidance from the Secretary of State. It is not intended that changes in funding shall be made within any academic

year. On the other hand, serious shortfall from performance must be expected to lead to the withholding of funds in a future year. The Government will provide the PCFC with indications of future levels of funding in the normal way through its published public expenditure plans, just as intended for the universities (see paragraph [4....] below).

4.21 The PCFC will also have an interest in the pay of staff in the transferred colleges related to its responsibilities for funding. The Government does not, however, intend to prescribe arrangements for determining the pay and conditions of service for such staff, whether academic or non-academic.

Initial Teacher Training Provision

4.22 The institutions within the ambit of the PCFC will include almost all initial teacher training courses outside the universities. As in the past, the Secretary of State will not only approve individual courses with regard to their suitability as courses of initial training for school teachers, but also set individual course entry targets at individual institutions. He would wish to be able to base these decisions on advice from the PCFC, which would take into account both criteria provided by the Secretary of State for initial teacher training provision and its planning work across the new sector of higher education. But to operate in this way will require arrangements which result in delivery to the Secretary of State of advice on a timetable which meets his needs and that of the institutions. If that does not prove possible, the Secretary of State will need to rely on internal Departmental advice, developed in consultation with the PCFC.

Colleges and Provision Remaining with Local Government

4.23 The colleges listed in Annex [ ] have nearly 80% of the full-time equivalent higher education students currently in higher education institutions maintained or assisted by local authorities. Much of the work in the remaining local authority colleges meets essentially local needs: professional and technical vocational education, including Higher National Certificates (HNCs), offered part-time. But some of the colleges have degree level work - some 6% of the present total - and full-time Higher National Diploma (HND) and equivalent courses. The Government intends that

* for all degree and postgraduate work, full-time HNDs and Diplomas of Higher Education (DipHE) and equivalent courses: the PCFC will be responsible for planning and funding. In this situation it will, to

the extent and in the locations it judges appropriate, enter into contracts with local authorities for the purchase of provision from their colleges. The adjustment of AEG in respect of the transfer of responsibilities for higher education will take account of this reduction in LEA liabilities;

* for other courses in the remaining local authority colleges, including all part-time sub-degree provision, whether leading to BTEC or other qualifications: the local authorities will no longer be guided by a central planning agency. The present pooled funding arrangements will end. LEAs will instead receive credit for students on such courses in the assessment of their Grant Related Expenditure for Rate Support Grant purposes.

Non-advanced Further Education Provision

4.24 The LEAs will retain responsibility, and the funds, for any non-advanced further education in colleges transferred from their control. They will buy in provision on a contractual basis.

[Summary CHART of main proposals]

Transfer of Assets

4.25 Most of the transferred institutions will need to establish a suitable legal means to hold their own assets. For those that have not done so by the vesting date their assets will be held by a board, the Polytechnics and Colleges Assets Board (PCAB), which will be set up for a limited period. Its main task will be to assist institutions to establish as quickly as possible the legal means of holding their own assets. It will charge peppercorn rents to institutions for the assets it holds and will have a duty to make available to the PCFC any surplus assets or the proceeds of their sale so that the PCFC can apply them for other purposes within the new sector of higher education, subject to a reserve power of direction by the Secretary of State for Education and Science. The Chairman and members of PCAB will be appointed by the Secretary of State.

4.26 The local education authorities will not be compensated for the transfer of the assets now in their ownership. The institutions themselves will become responsible for servicing the debt attributable to past capital expenditure once ownership has

transferred to them: this obligation will be taken into account in determining the funding available to them through the PCFC. In the meantime the PCAB will meet the debt charges associated with any assets that it holds. The claims made by local education authorities on the pool out of which debt charges in respect of higher and further education are at present serviced will provide a bench-mark for assessing the debt to be transferred.

Administration and Costs of the PCFC and the PCAB

4.27 The PCFC will require a secretariat, and some of the colleges may need additional staff to take over financial and other management tasks currently undertaken by their LEAs. There will also be temporary costs associated with the PCAB. But these costs will be offset by consequential savings in LEAs, in DES by the transfer of the direct grant institutions to the PCFC, and by the winding-up of the NAB.

Possible Designation of Additional Polytechnics

4.28 One question to which some attention has been given recently is whether some among the existing colleges to be taken into the new sector might merit designation as additional polytechnics. The Government has decided to ask the PCFC to include amongst its early tasks an assessment of whether further designations would be appropriate. The PCFC will have to approach this within the resources available for the sector as a whole, but it should do so in a positive spirit, paying attention not only to candidates' attributes but also to their capacity to expand to meet national and regional needs.

Legislation

4.29 The re-establishment of maintained colleges as free-standing corporate bodies, the consequential transfer of assets, staff and debts, the establishment of the PCFC and the PCAB and the changes in the funding arrangements will be effected in a Bill to be introduced in the next Session of Parliament. The Government is clear on the main outline of the changes, but will be consulting relevant interests on some of the details.

4.30 The necessity for legislation will mean some delay before the new arrangements can take effect. The Government is confident that during this period local authorities will continue to act responsibly in the funding of the institutions due for transfer

and in the upkeep of their plant. The Government will monitor the position carefully with the intention of ensuring, where necessary, that the interests of present and future students are not placed in jeopardy.

Conclusion

4.31 The Government believes that the major reform just described in outline will provide a much improved setting within which the polytechnics and colleges can pursue educational effectiveness and efficiency, can develop entrepreneurial skills and attitudes, and can respond to national needs. At the same time their regional and local roles should be in no way diminished, indeed the reconstruction of their governing bodies may enhance their capability there too. As corporate bodies, no longer controlled and funded by local authorities, these colleges will be free to manage their resources flexibly and to best advantage, while remaining accountable through the PCFC for their use of public funds.

[Bar CHART comparing composition of present colleges offering HE with the new sector and with those colleges remaining with local government]

4.32 At the same time the PCFC itself will be constituted with the scope to operate far more effectively than the NAB has done. It will, moreover, be able, with the new sectoral divisions, to concentrate its attention on institutions which are predominantly concerned with higher education of national relevance; with the local authorities correspondingly having charge where primarily local needs are being served.

[Note: these annexes might appear in the White Paper simply as lists of institutions; the statistical back up is provided at this stage for Ministers' information.]

Annex [ ] - see paragraphs 4.8 and 4.17

INSTITUTIONS TO BE TRANSFERRED FROM LOCAL GOVERNMENT

% of total FTE students on higher education (HE) courses		total no of students on HE courses (FTEs)
a.	Polytechnics (29)	
100	Portsmouth	6299
	NE London	5222
99	Sheffield	8516
	Trent	8224
	Middlesex	6798
	Leicester	6621
	Wolverhampton	5328
	Hatfield*	4738
	Oxford	4641
98	Newcastle	7398
	Liverpool	7037
	Bristol	6641
	Kingston	5616
	Lanchester	5559
	North London	4862
97	Leeds	6626
	Birmingham	6295
	Brighton	5294
	North Staffs	5022
	Lancashire	4748
	Thames	4740
	Huddersfield	4737
	Plymouth	4571
	Sunderland	4151
	Teesside	3531
96	Manchester	10821
	South Bank	5851
95	Central London	4692
86	City of London	4358

* includes Herts CHE student numbers - merging in 1987

b. Other LEA Institutions (28)

100	Crewe & Alsager	1989
	Edge Hill	1736
	Worcester	1194
	Bulmershe	1100
	North Riding	658
	W Midlands	586
	Garnett	578
	Royal Northern College of Music	476
	Charlotte Mason	437
99	Rolle	840
98	W Sussex	1273
97	Dorset	2232
	Bretton Hall	797
93	Bath	1185
91	Bolton	2083
90	W London	1770
89	Humberside	3213
87	Ealing	2631
81	Derbyshire	2176
79	Essex	2032
74	W Surrey CAD	544
	Ravensbourne CDC	407
73	Southampton	1999
66	Loughborough CAD	400
64	Slough	1377
62	Kent Art Institute	889
61	Nene	1877
	SW London	913

[Note: This list leaves out the 11 institutions with fewer than 350 students, which would not automatically transfer under the proposal recommended in Paper B.]

ANNEX [ ] - see paragraphs 4.8 and 4.17

VOLUNTARY AND OTHER DIRECT GRANT COLLEGES

% of total FTE students on higher education (HE) courses		total no of students on HE courses
a. Voluntary Colleges (17)		
100	Ripon & York St John	1671
	King Alfred (Winchester)	1187
	Chester CHE	1049
	Christ Church (Canterbury)	990
	St Martin's (Lancaster)	890
	La Sainte Union (Southampton)	673
	Westhill (Birmingham)	514
	Bishop Grosseteste (Lincoln)	436
	Newman (Birmingham)	425
99	Roehampton	2868
98	Liverpool IHE	1581
96	Trinity and All Saints (Leeds)	1067
94	St Mary's (Twickenham)	1177
93	Westminster (Oxford)	636
90	St Paul & St Mary (Cheltenham)	1196
	Homerton (Cambridge)	405
80	St Mark & St John (Plymouth)	776
b. Other direct grant colleges (9)		
100	Royal College of Music	573
	Royal College of Art	552
	Royal Academy of Music	526
	Trinity College of Music	380
99	Goldsmiths'	3013
98	Seale Hayne Coll of Ag *	586
96	Royal College of Nursing	157
93	Harper Adams Coll of Ag	596
57	Shuttleworth Coll of Ag	136

* merger with Plymouth Polytechnic under consideration


AM 6
20 IL

PRIME MINISTER

MEETING WITH POLYTECHNIC DIRECTORS

This folder also includes an agenda suggested by the Department of Education and Science.

You will want to consider how far to disclose the Government's own plans for the polytechnics.

I assume you will want to hold the meeting (8 people) in the White Room.

DRN

D R NORGROVE
24 February 1987

cc B/up

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4.30.

SECRET

P 02528

PRIME MINISTER

Reform of Education: Better Schools
(Meeting at 10.30 am on Wednesday, 25 February)

DECISIONS

The purpose of the meeting is to consider Mr Baker's minute of 20 February and accompanying papers. You will want the meeting to decide:-

(i) which of the four proposals (financial delegation, opting out, open enrolment and national curriculum,) can now be taken firmly forward;

(ii) whether some or all of these can be combined for presentation as a single package of reforms;

(iii) how the proposals or package should be taken forward, both within Government and publicly.

BACKGROUND

2. These papers respond to previous discussion in your small Group. At your meeting on 17 December your asked Mr Baker to develop proposals for legislation in the first year of the next Parliament covering:

- greater devolution to governing bodies and head teachers;

- a national curriculum or syllabus in both primary and secondary schools;

- the financial and other implications of opting out of management by LEAs;

- greater parental choice on which school to send their children to.

3. The Annexes to Mr Baker's minute cover this range of issues as follows:-

Annex A: financial delegation to schools

Annex B: opting out of management by LEAs

Annex C: giving parents a wider choice of school (this Annex also discusses expansion of the Assisted Places Scheme (APS) and more help with transport costs).

Annex D: establishing the national curriculum

MAIN ISSUES

4. You may wish to tackle the issues in the order in which they appear in the Annexes and then judge whether the work is sufficiently advanced to allow a viable package to be taken forward to early legislation. The following paragraphs identify some of the main points requiring consideration.

Financial Delegation to Schools (Annex A)

5. The basic proposals (requiring primary legislation) seem sensible. Schools would, at least in principle, control all those items of expenditure necessary to give them greater control over their affairs. There are already limited experiments in this direction in Cambridgeshire and elsewhere. It ought to be possible quickly to work up a satisfactory scheme on the basis of

these proposals. The following points might, however, be worth particular attention:-

(a) the paper puts particular emphasis on forcing LEAs to publish unit input costs. This could easily lead to squabbles about whether this or that school gets enough. It would be much better - and more in accordance with the thrust of current financial management - to switch the emphasis to outputs;

(b) great weight is put on the role of governing bodies. The need for training and strengthening them is acknowledged, but (if I may add a personal note as a past Chairman of Governors of two state primary schools) I think DES under estimate the problems here. If governing bodies are to be up to the job of financial management envisaged for them, even with good and keen people available they will need substantially greater back up and support. Otherwise I suspect that in most schools greater delegation to governing bodies would in practice be greater delegation to head teachers. This may be desirable and acceptable, but the reality needs to be recognised and DES may need to give more attention to this;

(c) teachers' pay: it appears that pay costs would be part of the "delegated budget"; but the LEA would still remain the employers (except in the case of aided schools) and the governing bodies would not be empowered to make permanent alterations in staff numbers. It is not clear that DES have thought through the full implications of this. Would delegation of staff pay costs in fact give governing bodies meaningful extra budgetary discretion?

(d) overall costs: paragraph 12 of Annex A estimates that the initial development costs of this scheme might amount to £20 to £30 million, and the additional recurrent costs to some £30 to £40 million a year. You will need to decide whether such increases are acceptable as a necessary price

for this scheme; or whether it should be taken forward on a cost neutral basis.

Opting out of Management by LEAs (Annex B)

6. This is the most radical of the proposals and clearly has great attractions in terms of breaking the current local authority monopoly. But by the same token it also presents the most difficult practical problem, and you will want to be quite sure the scheme is robust enough to succeed.

7. The proposal in essence is that, starting initially at the secondary level, schools would be permitted to take the initiative in seeking grant-maintained (GM) status. Under this they would have a separate legal personality (probably charitable trust status) and would own the premises, control the admission of pupils, employ the staff and manage the school's finances. They might also charge modest fees. An application for GM status would require formal endorsement at an annual parents' meeting; and the Secretary of State would alone decide whether to grant the application in the light of a set of published criteria. There would be no right of appeal against the Secretary of State's decision not to grant GM status. Funding would be by grant from the Secretary of State.

8. So far, so good. But Annex B is in some respects only the tip of the iceberg. Among the issues that would require detailed resolution before such a scheme could be launched with confidence are:-

(a) financing: the basis of grant is not made clear. Paragraph 3(3) of Annex B states that grant "would reflect the government's policy for expenditure per pupil at equivalent LEA-maintained schools". But dispersal around the average is very wide, particularly as between rural and urban schools. There would be great pressures for the Government to err on the generous side, thus escalating costs. The question of whether AEG should be reduced by the

full cost of the scheme or by some lower percentage (discussed but left open in paragraph 18) would also need to be settled;

(b) implications for LEA rationalisation proposals: LEAs already have a responsibility to draw up plans for rationalisation to take account of falling pupil roles. Acceptance of opting out bids might presumably lead to some (hostile) LEAs arguing that this would undermine their rationalisation plans. Conversely, rejection of applications by the Secretary of State could lead to judicial review (a possibility envisaged at the end of paragraph 5). Have DES thought these problems through?

(c) governing bodies: the comments in paragraph 5(b) above apply here too. To take advantage of the opting out opportunity and to make this reform effective, governing bodies would have to take on even greater new responsibilities. The paper notes this and Mr Baker's covering note (paragraph 11) identifies categories of school to whom opting out might be attractive. But how far does Mr Baker judge his expectations to be realistic? The experience so far with CTCs may be relevant here.

9. None of these problems is unsuperable. But you will want to avoid a situation in which, through lack of preparation, the reform is discredited either through lack of takers or through early failures.

Wider Choice of Schools: Open enrolement (Annex C)

10. The proposal is that popular schools should be made to raise their admission limits by admitting pupils up to the Standard Number, redefined as equal to admissions either in 1979 or in (say) 1986, whichever is the higher, or such other figure as the Secretary of State might approve. DES estimate that over-subscribed popular schools might typically be able to increase admissions by up to 25 per cent. It should be possible to work up

a detailed scheme quickly, but the following related points also need to be resolved:-

(a) school transport: clearly additional help could make the new option a greater reality. But the net costs are high; paragraph 21 gives a figure of £75 million at 1986-87 prices for secondary schools, and this could be an under estimate. New rules on eligibility for free transport could also take the government into an area of difficult dispute with local and other interests;

(b) assisted places scheme (APS): paragraphs 3 to 5 float the possibility of raising the number of assisted places to around 50,000 (compared with an estimated 35,000 this September) at an eventual extra cost of about £20 million (on top of £50 million at present). This would not require primary legislation. You will need to decide whether this is worth including in a wider reform package.

National School Curriculum (Annex D)

11. This is the part of the reform that has had the most public exposure and is likely to attract the most favourable reaction. It may well, therefore, be the one worth putting the most immediate effort into getting right. The trouble with the present DES paper is that, despite all the Annexes, it is still pretty vague. Although many principles are laid down there is still no clear indication of what would actually be taught. Paragraph 8 of Annex D in effect admits this (by contrast with the more prescriptive arrangements in France and West Germany). For example, it would be possible to imagine widely differing history curricula (eg covering different areas/periods/aspects of history) which nevertheless conformed with the general principles. Some more specific indication of what would be required to be taught would help.

12. The arrangements for formulating and enforcing the curriculum also seem somewhat heavy-handed. DES propose a Curriculum Commission, which would give advice, subsequently translated into statutory guidelines subject to Parliamentary approval. Is this really necessary? Enforcement is also envisaged as a complex procedure, involving at the one end governing bodies, and in the final analysis action by the Secretary of State either under Section 99 of the 1944 Act, or through the use of specific grants. There is clearly no simple or easy solution here; but there may be a case for putting more emphasis on greater publicity of schools' performance. If schools are forced to publish openly and regularly such things as public examination results, HMI Reports etc, parents will be in a better position to bring pressure to bear on those schools whose performance on the curriculum or in other respects is not up to scratch.

POSSIBLE PACKAGE

13. When you have discussed the above issues you may then want to consider which if any should be launched in an early reform package. On the basis of the work done so far, the most obvious immediate combination might be:-

- national curriculum
- open enrolment (with or without more help on transport and expansion of the APS);
- financial delegation.

Whether or not you could complete the package by adding opting out to it would depend on how confident you were that it could be made to work. You would need among other things to be sure that DES could cope with this at the same time as the other changes.

NEXT STEPS

14. So far as internal consideration is concerned, you will no doubt wish Mr Baker to revise some or all of these papers in the light of your discussion. It may then be desirable to have one further meeting of your present Group, perhaps slightly expanded to include one or two other Ministers (eg the Lord President). Whether you would then want to arrange more formal collective consideration (eg through H Committee, which would be a possible forum) would depend on how you wish to launch the proposals publicly.

15. On public presentation, you will wish to decide whether the package, or some elements of it, should first be launched in a Government White or consultation paper; or whether your immediate target is the next election Manifesto. It would, of course, be possible to combine both; for example, as Mr Baker envisages, an early consultation paper could be issued on the proposals for a national curriculum.

HANDLING

16. You will wish to invite the Secretary of State for Education and Science to introduce his proposals and then to seek the comments of the Chancellor of the Exchequer (particularly on the financial aspects), the Secretary of State for the Environment (particularly on the implications for local authorities), and the Secretary of State for Employment.

J B UNWIN

23 February 1987
Cabinet Office

CC 8/P

Confidential

PRIME MINISTER 23 February 1987

Better Schools

Overall Assessment

Kenneth Baker's paper on the reform of schools is excellent. His proposals amount to the most important legislative change in education since the 1944 Education Act. Unlike alternative proposals (vouchers, per capita funding) which involving systemic upheaval and great uncertainty, his reforms are practical and incremental. They make great sense to the average person as the obvious way to raise standards in all our schools and are certain to be popular with parents and the electorate.

They are not a wholesale attack on LEAs. Financial delegation and compulsory open enrolment still leave important tasks for the LEA. The right of individual schools to opt out will almost certainly be opposed by LEAs. But for Conservative controlled LEAs with well-run schools the incentive to opt out is not great, and should not cause too many difficulties. Because opting out provides a bolt-hole for schools in ideologically controlled boroughs it will be difficult for our own supporters in the shires to oppose the scheme too strongly.

The papers by DES officials are in my judgement the best we have had since I have been working for you, and I enclose detailed comments on each of them. I have one reservation however, and that is the paper on the national core curriculum. It is still heavily influenced by the HMI and needs considerable improvement.

CONFIDENTIAL

A: Financial Delegation to Schools

These proposals are sound but the following minor points should be noted.

1. **Publishing per capita costs per school (para 4):** Requiring each LEA to publish the per capita cost for each school is an important piece of information which can be used by councillors, governors and ratepayers to reduce the discretionary spending by LEAs on certain schools.

How?

The Treasury may object to this proposal. They might argue that schools with lower unit costs would have an incentive to demand extra funding and that this could generate escalating costs. This is unlikely. Unit costs tend to be higher in some schools than others, because of falling rolls, outdated heating systems, inner city location, or because they are village schools. For schools without these characteristics it would be difficult to make the case on grounds of parity.

Recommendation: publish per capita costs per school.

2. **Carrying over savings (para 5):** Many heads would consider that the freedom of an individual school to carry over savings from one year to the next is one of the major benefits of autonomy.

Recommendation: It is important that head teachers are not denied the right to carry over funds from one year to the next by the LEA. (This must be right – but it would increase the difficulty of controlling public expenditure. DKW.)

3. **The Extent of Delegation (Para 6(3)):** I would be very sceptical about the statement that "The governing body would be required to have regard to the financial advantages, if any, of making use of contractual or purchasing arrangements made by the LEA e.g. in relation to stationery and ground

maintenance." Very much depends on the meaning of "to have regard". If governing bodies are cost conscious they will wish to take advantage of LEA purchasing arrangements: they may however also have local facilities which they can make use of and which are cheaper. They should be free to do so.

Recommendation: The final decision must be left to the governing body, otherwise a hostile LEA could easily use this as a way of undermining the whole scheme.

4. **Funding the Scheme (Para's 9-12):** The extra costs of extending the scheme nationally are given as £20-30m of initial development spending and £30-40m of recurrent spending.

Cambridgeshire have developed their scheme at a cost of roughly £250,000. They do not know the running costs when the scheme is set up but have been hard nosed until now and required the schools to fund it from their budgets.

Recommendation: Important not to make commitment of central government funding, otherwise the LEAs have no incentive to economise.

B: Enabling Schools to Opt Out

Once again this scheme is fundamentally sound. The right of an individual school to opt out of an LEA and receive funds direct from the DES is almost certain to be attractive to a number of heads, governing bodies and parents especially of schools in inner city or strong Left-wing controlled boroughs. Particularly significant is the possibility that these new schools will be able to charge low fees (para 11) as well as the operational independence which they are being granted (para 2).

More Details Needed

The scheme needs to be worked out in more detail however at a number of points:-

(a) the basis on which the Secretary of State would fix per capita expenditure per pupil (para 5 (2));

(b) the way in which the AEG would be reduced so that opting-out did not involve a net cost for the taxpayer or ratepayer (para 18);

(c) the method by which the DES will supervise and inspect these schools (para 19);

(d) the procedure by which change can be initiated e.g. the proportion of governors who would have to vote for a proposal before it could be submitted (para 4);

(e) possible conflicts between the Secretary of State and the LEA e.g. if these new schools were to dominate an area, the effect this would have on the LEAs statutory position is unclear. (para 14).

(f) possible conflicts between the GM school and the LEA (eg para 6)

Recommendation: Ask the Secretary of State to bring forward a further paper developing these areas.

C: Enabling Parents to Widen Choice

Increasing parental choice is a crucial aspect of the changes we are proposing.

1. **Assisted Places Scheme (para 3-5):** Numbers of pupils could be increased from 35,000 to 50,000 at an extra cost of £20m. The scheme itself has been valuable but it is doubful whether it should be expanded:-

- there appears to be very little unsatisfied demand;

- by increasing the number of places by roughly 50% some schools are in danger of becoming too financially dependent on the scheme;
- the extension of the scheme is marginal in terms of breaking the LEA monopoly.

Recommendation: Do not expand the APS.

2. Admission Policies of LEAs and Schools (para 6-13): Introducing compulsory open enrolment is a much more important way of increasing parental choice within the system. At present each school has a published limit for admission. The proposal is that this should be increased to a "standard number" which has already been determined by law for each school, and which is usually the number of pupils admitted in 1979. Another part of the proposal is that popular schools, whose head and governors are convinced that the school's physical capacity is greater than its "standard number", should be permitted to take on extra pupils. It is important that the second as well as the first of these are accepted.

Now work on standard as agreed

Recommendation: Accept the "standard number" as the basis for future admission: allow further discretion for schools which can and wish to accommodate more pupils.

3. Home to School Transport (paras 14-27): Kenneth Baker is absolutely correct to reject this unnecessary increase in cost (£67m). It is surely not asking too much of parents to make some contribution to their childrens' education. Schools might be encouraged to establish travel bursaries through charitable giving.

Recommendation: Reject funding extra transport costs.

D: National School Curriculum

This is the weakest of the papers by officials. It lacks clarity because as it stands it is an unsatisfactory compromise between two distinct views of what constitutes a desirable national school curriculum:-

(a) one view emphasises the need to specify core syllabuses for each of the subjects chosen, (which could be published as a paperback), to list various textbooks as approved (though not mandatory), to allocate minimum time for each subject, to specify attainment levels for given ages, to introduce a system of national examinations which tests attainment and publish results so that parents can assess their childrens' progress;

(b) the other view (represented by the HMI) places great emphasis on the objectives of the curriculum, and the learning process but hardly any emphasis on syllabus content; it stresses "differentiation" so that instead of a minimum standard for all it lays great emphasis on the interests and abilities of individual pupils; it has a strong aversion to the recommendation of textbooks, and an equally strong aversion to examinations other than the GCSE, primarily because a core syllabus allegedly restricts the curriculum.

The major issues raised by the paper are (i) the definition and content, (ii) the process of formulation and (iii) the method of enforcement, of the curriculum

Definition and content

Three features of the national school curriculum need to be made rather stronger than they are in the paper:

(i) it must be emphasised that the national curriculm is a set of **core syllabuses** which are specific in terms of the ground which needs to be covered;

(ii) crucial to making this specific is that certain **textbooks** be approved even though they should not be made mandatory;

(iii) the paper needs to specify much more about what constitutes **attainment**, the ages at which pupils would sit **examinations** and the need for assessment to be primarily through examination.

These three areas need being made more explicit because they are the areas in which the HMI have had a perverse effect for the past 25 years.

Process of Formulation

The proposed Curriculum Commission is a hideous bureaucracy and a method by which the HMI and the teaching profession can sabotage the excellent idea of a core curriculum. There is no reason why a national core syllabus in history should not be written by an ad hoc group of say three professional historians and three teachers of history, over a weekend. The same method could be replicated for every other subject. DES would then publish these as a paperback with an introduction by the Secretary of State and the examining bodies could be asked to tender for setting national examinations to test attainment at different ages. The Curriculum Commission - better renamed the Curriculum Working Party - should be no more than a few outsiders (honorary), a seconded DES official and a secretary.

HMI will, of course protest furiously at such an idea, as it will at once undermine their existing grip on the education process.

Enforcement

We already have an enormous and enthusiastic inspectorate: they are called parents. The more we involve parents in the process by informing them of the core syllabuses and also informing them of the results of the national examinations, the more we shall be able to keep teachers, heads, governors and LEAs on their toes. This is a move which will have great appeal. It should not be frustrated by either HMI or the other producer interests which have traditionally had such a superior approach to the customer.

The role of the HMI under this new system would be to report on why schools were failing to meet levels of attainment rather than as at present to undertake a comprehensive review of teaching methods and curriculum objectives.

Recommendations

Accept

1. The scheme for financial delegation to schools, the publication of the per capita costs to schools and the right of schools to carry over savings.

2. The proposal for opting-out, subject to the further work needed (see below).

3. Open enrolment including the discretion for popular schools to expand if they choose above their "standard" numbers.

4. A national set of core syllabuses, approved textbooks and a national system of exams at various ages to test pupil progress.

Reject

4. Expanding the Assisted Places Scheme to more than 35,000 students.

5. Increasing the availability of free home to school transport.

6. The establishment of a Curriculum Commission.

7. An enlarged HMI.

Commission further work

More details are needed on the following:-

8. the proposed extra public spending (£20-30m development; £30-40m recurrent) from introducing financial delegation.

9. Opting-Out:

(a) the basis on which the Secretary of State would fix per capita expenditure per pupil (para 5(2));

(b) the way in which the AEG would be reduced so that opting-out did not involve a net cost for the taxpayer or ratepayer (para 18);

(c) the method by which the DES will supervise and inspect these schools (para 19).

(d) the procedure by which change can be initiated e.g. the proportion of governors who would have to vote for a proposal before it could be submitted (para 4).

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(e) possible conflicts between the Secretary of State and the LEA e.g. if G M schools dominated an area, the effect this would have on the LEAs statutory position (para 14).

(f) possible conflicts between the GM school and the LEA (para 6).

10. National School Curriculum

(a) the method of examining the level of attainment at various ages and the balance between exams and continuous assessment.

(b) the reforms which will have to be made to GCSE because of introducing the National School Curriculum.

(c) a Curriculum Working Party along the lines suggested.

BRIAN GRIFFITHS

POLYTECHNICS MEETING

WEDNESDAY, 25 FEBRUARY, AT 1530

Those attending are:

S/S Education
Lord President
S/S Wales
S/S Scotland
Chief Secretary
S/S Environment
Mr. Walden
Mr. Unwin
Sir D. Hancock
Mr. Bird
Mr. K. Ennals
Mr. J. Anson
Mr. J.A. Scott
(Secretary of the Scottish Education Development Council).

TG

23 February, 1987.

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cc B/UP

P 02529

PRIME MINISTER

Future of the Polytechnics WITHDRAWN
(Mr Baker's minute of 20 February)

DECISIONS

The key decision required is whether the proposals now worked up form an acceptable basis for publication in a White Paper before 14 April (the date of Mr Baker's address to the Committee of Directors of Polytechnics). Specific issues on which you will want to satisfy yourself are:-

(i) Criteria for selection of transferred institutions;

(ii) the composition and powers/duties of the proposed Polytechnics and Colleges Funding Council (PCFC);

(iii) the residual role of the Secretary of State;

(iv) the arrangements for pay determination;

BACKGROUND

2. Your last meeting (on 28 January) strongly endorsed the broad thrust of Mr Baker's proposals, but asked for certain aspects (covered under the above headings) to be worked out in greater detail in consultation with the Department of the Environment and the Treasury. You also asked Mr Baker to explain the proposals to the Secretaries of State for Wales and Scotland and to produce a further paper, including a draft of the relevant chapter of the proposed White Paper, for a meeting now with a view to publication of the White Paper in April.

3. Mr Baker's short covering minute attaches a draft of the relevant chapter of the proposed White Paper. His Private Secretary's letter of 20 February covers the following more detailed papers:-

- Paper A: the proposed new structure for the PCFC, the interim Polytechnics and Colleges Assets Board (PCAB), and the powers of the transferred institutions;

- Paper B: criteria for transfer of institutions from local authorities;

- Paper C: arrangements for determining the pay of academic staff.

There is no detailed discussion of the financial implications of the proposals. I understand that there has been extensive consultation with the Treasury and the DOE and that there should not be any major issues outstanding. The central principle will be cost neutrality. As paragraph 4.14 of the draft White Paper chapter explains, the equivalent of pooled expenditure will be transferred out of Aggregate Exchequer Grant (AEG) and provision for capital expenditure will be deducted from planned provision for local authority capital expenditure.

MAIN ISSUES

4. The DES have produced a workmanlike set of papers which should enable the proposals now to be taken forward. You will, however, want to consider the points in the following paragraphs.

Criteria for Selection of Transferred Institutions

5. You will recall that the problem with the straight 55 per cent higher education criterion put forward last time was that it would have brought in a number of very small institutions (the smallest being the Kent College for the Careers Service, with only 46 students on higher education courses). Mr Baker's compromise

is a cut-off under which institutions with under 350 students would initially be excluded; but, provided they met the 55 per cent HE requirement, they would be allowed to opt in if the colleges themselves (in the case of those already having corporate status) or their local authority agreed. This is discussed in Paper B. It would, of course, still let some of the minnows in; but if hybridity can be avoided (and Mr Baker seeks authority to consult the House Authorities in confidence) it seems a reasonable and defensible compromise - at any rate for purposes of the White Paper.

6. Other matters relating to the transferred institutions on which you may wish to pause are:-

(i) voluntary and direct grant colleges: you asked for further consideration of the pros and cons of transferring these institutions. This is dealt with in paragraphs 2 to 6 of Paper B which argues strongly for putting them under the new PCFC. The case seems a good one; although they will add to the PCFC's overall task, they are already independent and self-governing, with experience of managing their own affairs, and their transfer should require less attention than the transferred local authority colleges;

(ii) phasing: again, at your last meeting you suggested that the transfer of institutions to the PCFC might be phased in order to give time for the new Committee to establish itself. This is discussed in paragraphs 12 to 14 of Paper B. Mr Baker's conclusion is that it would be better to take one bite of the cherry and assimilate all the institutions in one go. The separate proposal for a PCAB to hold the assets of the transferred institutions for a limited period (3 years initially), and to help them in establishing suitable trusts, will, of course, ease the transitional problems.

Composition and Powers/Duties of the PCFC

7. This is set out in some detail in Part 1 of Paper A. As requested, DES have tried to spell out the precise provisions that would go into a governing instrument for the PCFC. The proposals now seems much more robust and better thought through than previously. The essence of the PCFC's powers will be the placing of contracts with institutions in its sector for the provision of higher education courses. Its financial relationship with the Secretary of State would be set out in legislation and in a Financial Memorandum; and its financial relations with individual institutions in the contracts, supplemented as necessary by financial memoranda approved by the Secretary of State. The Secretary of State, however, will remain responsible for determining each year the overall level of resources available for the transferred institutions. This a crucial provision.

8. The Secretary of State will also appoint the Chairman and members of the PCFC. The intention is that it should be "small and high powered". Membership will include a substantial proportion of employers, and there will be no reserved places for local authority councillors or officers.

Polytechnics and Colleges Assets Board

9. The new proposal for a PCAB for a limited period (3 years initially) seems a sensible one. It will add to the initial bureaucracy; but specialist help with the transfer and management of assets will obviously be necessary. Provided it is quite clear that the PCAB will be temporary, its separate establishment should helpfully take care of this without distracting the PCFC from its central task of getting the new institutions up and running on a better educational and financial basis.

Powers of the Secretary of State

10. This is discussed in Part IV of Paper A. As noted above, the Secretary of State will hold the overall purse strings. He will also be resonsible for appointing the Chairman and members of the PCFC and PCAB, and approving the key financial and other

instruments governing the activities of those bodies and the transferred institutions themselves. In general, the proposals seem to strike a sensible balance between keeping DES at arms length and retaining the powers that matter.

Arrangements for Pay Determination

11. This is discussed in Paper C. I think it is probably the weakest part of the papers. In brief, two models are discussed. The first, Approach A, is to leave the negotiations to the employers and the unions and to rely on central control of the grant (plus any necessary conditions attached) to influence the outcome. This is in practice more or less a continuation of the status quo. The second, Approach B, is for the Secretary of State to become directly involved in pay determination.

12. The Secretary of State strongly recommends Approach A. This would be broadly consistent with the Government's general approach to pay determination, despite the immediate arrangements for teachers' pay. He further recommends that within this approach, it would be right to accept the reality of collective bargaining on a national scale. Even if the Government sought to encourage local, institution-based negotiations, polytechnic and college employers would almost certainly join together. This would not necessarily, however, preclude some local decision making.

13. The proposed reform offers an opportunity to take a more radical look at pay determination in this sector. Croham has recommended separately that there should be a review of university pay determination. There might be a case for embracing the polytechnics and colleges in such a review. Certainly more detailed analysis than DES have managed so far seems desirable. If you thought this was worth pursuing further (by DES with the Treasury) it need not hold up publication of the remaining proposals in the White Paper.

PROPOSED WHITE PAPER

14 A draft of the relevant chapter is attached to Mr Baker's covering minute. It seems clear and to the point, combining a firm line on those areas where the Government's mind is made up with a 'greener' tinge to those where further consultation will be necessary. If you are satisfied on the points of substance discussed above, you may not wish to go through the text in detail at this meeting. Comments could, however, be sent to Mr Baker separately.

NEXT STEPS

15. If there is general agreement on Mr Baker's proposals (subject to the issue of pay determination), it may not be necessary to have a further discussion in your small Group. The next step might, therefore, be for Mr Baker to put a paper to H Committee in the course of next month, prior to clearance with the Cabinet at the end of the month followed by publication of the White Paper in early April. Final clearance of the White Paper will also, of course, depend on decisions on other issues (such as the Croham Report) which are not for this meeting. You may, however, want to ask Mr Baker to explain where matters stand on this.

HANDLING

16 You will want to ask the Secretary of State for Education and Science to introduce his proposals and the Chancellor of the Exchequer and the Secretary of State for the Environment to comment on the financial and local authority implications respectively. You will also want to confirm that the Scottish and Welsh Secretaries are content; and to seek the Lord President's views on timing and presentation generally.

J B UNWIN

Cabinet Office
23 February 1987

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CONFIDENTIAL

PRIME MINISTER

FUTURE OF THE POLYTECHNICS

1. I hope that at our meeting on 25 February we can settle the outstanding points of substance.

2. I am glad to say that the Committee of Directors of Polytechnics have just come out publicly in favour of direct funding for their institutions. I am addressing them at their Conference on 14 April and it is important that I use the occasion to speak to our proposals. I therefore hope it will be possible to publish the White Paper before then.

3. Attached is the relevant part of the draft Chapter for the White Paper dealing with the polytechnics and other colleges. This covers points in which you expressed particular interest. I would like to draw your attention to the following:

(i) The draft now sets out my proposals in terms of contracts between the new planning and funding body and the institutions. The use of the present term grants carries an implication of entitlement which we should get away from. For this reason I propose that the new funding body should be called the Polytechnics and Colleges Funding Council - and that the new style UGC following Lord Croham's report should be called the Universities Funding Council.

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(ii) I have looked again, as you asked, at the question of whether very small colleges doing higher education should be transferred from local authorities. I favour a cut-off point on size as well as on proportion of higher education, but with a right for small colleges with sufficient higher education to opt in to the new sector. If you agree I would like to consult the House Authorities in confidence to ensure that this way forward does not involve us in hybridity.

(iii) We shall need transitional arrangements for holding the assets of the transferred institutions while they are establishing the legal means to hold their own assets and while any ownership disputes are being settled. A separate Board would undertake this task and help institutions to take over their property as quickly as possible.

4. My Private Secretary is sending separately detailed papers on the allocation of powers and responsibilities, the selection of institutions for transfer to the new sector, and arrangements for determining the pay of academic staff.

5. The financial implications of the proposals have been discussed between officials. I am not aware of any financial points that we need to discuss. You should know, however, that we have considered the risk that some local authorities might act irresponsibly in

the interim period after the White Paper and before transfer of the institutions. My conclusion is that there is in practice little scope for them to do damage and that we do not need to contemplate pre-emptive action with all the difficulties which that would entail.

6. Copies of this go to Willie Whitelaw, Nicholas Edwards, Malcolm Rifkind, Nicholas Ridley, and John MacGregor and Sir Robert Armstrong.

K.B.

KB

20 February 1987

Department of Education and Science

PRIME MINISTER 010

BETTER SCHOOLS

What is wrong?

1. (1) Widespread concern about the standards of education.

(2) The quality of teaching is not what is should be.

(3) Too many secondary children in the 4th and 5th year in our towns and cities absent themselves since they are bored.

(4) A disciplined framework is far from universal.

(5) There is a stark choice between the state sector 93% and private sector 7% - there are not enough half-way houses to allow the effective exercise of parental choice.

(6) Too many LEAs are imposing their own political prejudices upon the system in their charge.

(7) LEA administration at the local level is frequently inefficient, over-bureaucratic and costly.

(8) There is too much local variety in what should be a national system.

(9) We need a change of attitudes in many teachers, parents, governors and pupils, to help us hold our own as a nation in the technological age.

2. All this adds up to widespread dissatisfaction with the present system. Our major task over the next 5 years is to put in hand a series of reforms which taken together are more fundamental than the 1944 Act. Their object is to improve the quality of education in all schools by raising standards. Many

things will have to be done but the first stage is a major Education Bill in the first session of the next Parliament. This is a prime political priority. We can move forward with positive ideas when the other parties are covering up for the present system or trying to destroy the remaining excellence within it.

3. This Ministerial group has previously decided to keep LEAs, but we must do so within a new system of finance which stresses their accountability. They should also lose their monopoly and have less power over what happens in each school. So we must move forward simultaneously in 3 directions:

(1) decentralising the running and control of schools;

(2) breaking the LEA monopoly, and giving greater choice;

(3) centralising the power to determine and influence the basic curriculum.

The De-Centralising Measures

School Autonomy

4. Within 5 years every secondary school and large primary school should be given control of its own budget. The 1986 Act enables us to go part of the way. But we need new legislation to achieve the objective. Annex A outlines the scheme I have in mind.

5. We will need at least 4 years for this. It has taken Cambridgeshire 4 years to delegate limited budgetary control for 6 out of 48 secondary schools. Some LEAs will be most reluctant to move down this road.

6. Although the LEA will determine the delegated budget, it will be required to publish the per capita cost per pupil. So everyone will be able to see how expenditure follows the child and which schools deserve to survive because, for example, they are popular and achieve high standards with low unit costs.

PERSONAL

7. We shall need to take action to help to ensure that governing bodies, heads and deputy heads are up to the job of financial management. I intend to establish a staff college to strengthen the training of heads and deputies. Plans are in hand and we could announce this before the Election.

8. The new governing bodies with more parent governors will, at the latest, be operating from autumn 1988 for county schools and from autumn 1989 for voluntary schools. It is essential that we get good people to serve as governors since they will have control of a sizeable budget, increased powers over the appointment of the head, and increased power over school discipline. We shall need more courses for governors. It will be necessary to have some reserve powers for the LEAs to withdraw financial delegation from governing bodies which get into difficulties or which are being subverted by political groups.

Breaking the LEA monopoly

9. In addition to delegating budgets, we should also enable the governing bodies of LEA-maintained secondary schools to become independent charitable trusts in suitable cases. An opting out scheme on these lines is set out in Annex B. The status of the school would be similar to that of the CTCs. The governing body of the school would employ the staff and manage the school. The school property would be transferred from the LEA to the trusts. They would be funded by a grant from the Secretary of State. The starting point of the grant calculation would be the reasonable per capita cost of the pupils. The scheme would allow the parents and governors in areas where the LEA is pursuing policies which are unpopular to free themselves from LEA control.

10. The scheme will only work if the parents are committed to it, the school has the right governors, and is sufficiently well-established locally to be a credible, enduring school capable of running effectively on its own. A proposal to opt out would be

considered by the Secretary of State if it had been approved by a majority of parents on a postal ballot. The chairman of the governors will be a key figure - for he will have to go out and sell the school.

11. I would expect the scheme to be particularly attractive to three categories of school:

(1) Where the school had a long-established and distinctive local identity and enjoyed correspondingly strong local support eg as a former grammar school, which made it confident of survival with the more distant support of the Secretary of State.

(2) Where the LEA's policies led the school to regard dependence on it as intolerable. This could become the case for most or all the schools in a particular LEA.

(3) Where the school was threatened with closure under a statutory proposal by the LEA and believed that it could survive as a grant maintained school.

12. At the same time we should continue to pursue the establishment of at least 20 CTCs.

The Extension of choice in the LEA Sector

13. We should also move towards more open enrolment for schools remaining within the LEA sector. Annex C (paragraphs 6-13) outlines a scheme for raising the admission limits of popular schools near or to their physical capacity.

14. Parental choice of LEA-maintained schools is restricted by the cost of transport. If we could reduce this, many parents would no longer have to send their child to the nearest school which their LEA thought suitable: they could find a better school further away. Parents living in oppressive LEAs might be able to send their children to a better school in another LEA. A scheme for extending free transport from home to school is at Annex C

PERSONAL

(paragraphs 14-28). Some of my Ministers favour this but I take the view that it is costly and parents should be expected to make at least this financial contribution to their childrens' education.

15. The Assisted Places Scheme will further increase parental choice when it reaches its full planned size - 35,000 pupils - in the 1987/8 school year. We could thereafter consider expending it to, say, 50,000, but there are difficulties - see paras 2-5 of Annex C.

16. The essential drive behind all these changes is to increase parental choice. This is the only way that fundamental reform can be achieved. It is also the way towards letting the money follow the child. Greater parental choice will help more popular schools to flourish and more unpopular schools to fold up.

The Centralising Measure - The Curriculum

17. In order to improve standards in all schools we must move to establish a prescribed national curriculum. This will lay down the basic subjects which must be taken up to the age of 16. It will involve a restriction of the proliferation of choice now available at 14. It will lay down in a much more prescriptive way the minimum time to be devoted during the compulsory years to various subjects, and give guidance on content.

18. We must also lay down within each subject - in both primary and secondary schools - the clear and specific targets of achievement at various key ages whilst allowing for variations in ability. The follow-up of the Cockcroft Report gives us a basis for the maths curriculum. Work is in hand on a basis for science and foreign languages, and with the help of the English Committee, on the basic skills of reading, writing and speaking.

19. Once established the curriculum will have to be inspected on a more regular basis than now. This will mean a reorganisation of the inspection effort at national and local levels.

20. We cannot just determine the curriculum ourselves as Central Government since that would concentrate too much power in the Secretary of State and the Government of the day. We must devise a series of checks and balances in the method of setting the national curriculum and enforcing it.

21. All this must be brought about so that the good teaching methods developed by our better teachers are generally adopted and good teachers are encouraged to go on being imaginative and innovative.

22. Further details are set out in Annex D. We shall need legislation. There are great advantages in legislating in the first session of the next Parliament. The scheme is a major departure from the 1944 Act and indeed from the system of English education before that. We are the only country in Europe that has gone for this system. The case for this major reform is evident and will be widely supported if we present it vigorously.

Resources

23. These advances will cost money, particularly during the early transition. But the increase will be spread over time. It will represent a fairly modest fraction of our present expenditure on schools. It will make the existing investment cost-effective. There is no other way of getting a better output from it.

Action

24. The measures in this paper form a coherent package for making our schools better. Implementation is for the next Parliament. But we should set it out in a full statement before the Election so that we can rally public support for a plan which I believe will appeal to all those who do not have a vested interest in the educational status quo.

I am copying this minute to Nigel Lawson and Nick Ridley.

K.B.

KB

20 February 1987

Department of Education and Science

CONFIDENTIAL

FINANCIAL DELEGATION TO SCHOOLS

1. Section 29 of the Education (No 2) Act 1986 enables the Secretary of State by regulation to extend the list of items of expenditure, which are at present limited to books, stationery and equipment, in respect of which the LEA must make available to school governing bodies "a sum" to be spent at the latter's discretion. The LEA cannot, however, be compelled to delegate all the expenditure on any item in the list, and may constrain the governors' discretion to spend the delegated sum by financial rules.

Proposed scheme

2. This paper outlines a scheme, which would involve further primary legislation, for much greater financial delegation to school governing bodies, within the present legal framework under which the LEA is responsible for securing the provision of sufficient efficient schools for its area and for this purpose determines the total expenditure which it makes available for each school, pays the salaries and wages of the staff concerned and employs most of them, and owns most of the premises in question. The objectives of the scheme would be:-

(1) to strengthen the position of the governing body vis-a-vis the LEA; and to give the governors a more effective control over the conduct of the school;

(2) to secure better value for money from the fact that decisions about expenditure priorities are taken at the level of the school where these car be most effectively taken.

The delegated budget

3. When the scheme is fully implemented, all expenditure which the LEA decides, or is obliged, (eg rent and rates), to incur each year in respect of a school would be included in the school's "delegated budget" for that year except for the following items:

(1) capital items, because these tend to be one-off and form part of a programme subject to central control which the LEA needs to manage as a whole.

(2) The LEA's own administrative costs in relation to the school.

(3) Debt charges in relation to the school's premises or capital equipment.

(4) The cost of home to school transport.

(5) The cost of school meals, since this service is more effectively provided by the LEA or through a contractor on a divisional basis or across the LEA as a whole.

(6) Other services provided ad hoc by the LEA as the need arises eg in-service training, projects supported by Education Support Grant, educational psychologists.

4. The LEA would be required to publish for each school not only the delegated budget but the costs of the items excluded from it ((1) - (6) in para 3 above) to show the per capita of educating each school's pupils. This information is relevant to the determination of the delegated budget, to comparisons between the LEA's schools by councillors, governors, parents and ratepayers, and to the future of the school whether as a school maintained by the LEA or for the purpose of any scheme enabling schools to opt out of being LEA-maintained.

5. The LEA would determine each school's delegated budget for the coming year on the basis of an estimate of the school's requirements submitted by the governing body, but also having regard to its statutory duties and its expenditure and other policies. The LEA would also take into account past patterns of expenditure of the delegated budget. These might be centrally prescribed rules for the carry-over of under- and over-spending by the governors.

Constraints on the governors' discretion

6. The governing body would be told by the LEA how much of the delegated budget had been allowed for each of the items to be covered by it, but would be free to incur a different pattern of expenditure by the use of virement, subject only to some necessary limitations of that discretion.

(1) The governing body would be under a duty to manage the resources available in the delegated budget efficiently, and to have regard to any legal requirements relating to the curriculum; the governing body of a county and controlled school would also be under a duty, within the delegated resources, to act in support of the LEA's duty to keep the premises in a satisfactory state of repair.

(2) The governing body could not make permanent, as opposed to temporary, alterations in the numbers of teaching and non-teaching staff employed at the school without the consent of the LEA, since the resultant financial, contractual and management liabilities would fall on the LEA as employer or, in the case of aided schools, the paymaster of the staff employed by the governors.

Why?

(3) The governing body would be required to have regard to the financial advantages, if any, of making use of contractual or purchasing arrangements made by the LEA eg in relation to stationery, or ground maintenance; to cooperate with consortium arrangements (eg for the TVEI or in-service training) made by the LEA between schools; and to comply with conditions attached to ear-marked funds (eg TVEI).

These constraints and other aspects of the exercise of the governors' discretion over the delegated budget could be incorporated in the school's articles of government or could be the subject of a financial memorandum between the LEA and the governing body. Either arrangement could be subject to regulations made by the Secretary of State, or guidelines issued by him.

7. The governing body would have discretion to sub-delegate expenditure from the delegated budget to the headteacher. Sub-delegation would probably be extensive in practice. The headteacher would retain his present right to veto the purchase of those textbooks and other materials which in his professional judgment were incompatible with the school's curriculum.

8. The LEA would have the right to withdraw the delegated budget for the year or to refuse to reintroduce it in subsequent years, if it was satisfied that the governing body had shown themselves, or would continue to show themselves, incapable of managing it in accordance with their statutory responsibilities (para 6 (1) above) and the rules governing their discretion. The governors would have a right to appeal to the Secretary of State against such action by the LEA.

No

Implementing the scheme

9. To enable both the LEA and governing bodies to operate the scheme efficiently.

(1) The LEA would be required to establish adequate financial management information systems, to enable the governors to exercise their discretion and to enable the LEA to monitor the progress of expenditure and to ensure financial propriety. The Department is mounting a management consultancy study of such a system.

(2) Governors and headteachers would need training for their extended financial management responsibilities. At least initially this could with advantage be encouraged by Education Support Grant. The larger schools would need a qualified bursar, responsible to the headteacher, to run the new arrangements for self-administration which would fall on schools.

(3) The LEA would need to strengthen its arrangements for internal audit, and the audit of the delegated budget would be added to the responsibilities of the LEA's auditors.

10. The scheme would from the outside cover all secondary schools (4,300) and primary schools with more than 500 pupils (100). Together these schools account for more than half of all school expenditure. LEAs who wished to extend it to other primary schools would be free to do so. The Secretary of State would have the power, by regulations, to require such an extension by stages. This power might also apply to special schools. In addition LEAs would be required to publish each year the per capita costs per pupil in every primary and special school so that these costs were visible in respect of all of each LEA's maintained schools.

11. After the enactment of the necessary legislation each LEA would be required to submit proposals for the Secretary of State's approval, for a scheme of financial delegation to its schools which would meet the requirements of the legislation on the lines set out in this paper. This scheme would contain an implementation time-table, allowing for the preparatory work and phased delegation which has been found to be necessary by the Audit Commission and those LEAs who have so far done most to delegate.

Resources

12. The scheme outlined in this paper would require additional local resources, mainly for the financial management information systems (para 9 (1)), for staff in the schools to operate the delegated budgets (para 9 (2)) and for LEA staff to administer and audit the scheme. Although the schools and their pupils will benefit from better decisions about the use of resources, it would not be realistic to expect delegated budgeting to produce public expenditure savings. The initial development costs might amount to about £20m-30m and the additional recurrent costs to about £30m-40m a year. Increased calls on central manpower would arise from the necessary legislation, the approval of LEA delegation schemes (para 11), and the monitoring of its implementation, including governors' appeals against the withdrawal of delegation (para 8).

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Enabling schools to opt out of management by LEAs

Nature of the change

1. This paper outlines a scheme to enable maintained schools who wished to be free of LEA control and supervision to achieve that freedom. Since such freedom is incompatible with financial dependence on the LEA, the school would no longer be maintained by the LEA. Instead it would be maintained by the Secretary of State, by analogy with CTCs and the former direct grant schools, but on a different basis. The scheme would serve the additional purpose of increasing the degree of choice available to parents by a further inroad into the LEAs' monopoly of providing school education which is effectively free at the point of use. The scheme would initially be limited to secondary schools. It would require legislation.

2. A school which acquired this new grant-aided status - a grant-maintained (GM) school - would have a separate legal personality, probably becoming a charitable trust. Its governing body would conduct the affairs of the school. It would own (or have user rights over) the premises, control the admission of pupils, employ the staff and manage the school's finances with the help of the Secretary of State's grant. It could receive voluntary contributions from parents or other sources. It might be empowered to charge modest fees (see para 11 below).

3. The Secretary of State would apply to GM schools the same principles which he requires LEAs to apply to the schools which they maintain. In particular:

(1) the pay, duties and qualifications of teachers at GM schools would be determined as for LEA-maintained schools.

(2) The provisions of the national curriculum would apply equally to GM and LEA-maintained schools.

(3) The Secretary of State's grant would reflect the Government's policy for expenditure per pupil at equivalent LEA-maintained schools.

Procedure for acquring GM status

4. GM status cannot prove satisfactory for a school unless it is committed to achieving it and wants to make a success of it. The initiative in proposing a change to GM status would come from the school's governing body, in the form of a published statutory proposal to the Secretary of State, on which the LEA and others can put objections to him. In the case of an aided or special agreement school the governing body would be speaking for the voluntary body whose school it was, so that there would be no question of the governing body's ability to speak for the school. In the case of other categories of school, the governing body's responsibility for the school is much more limited. Rules would need to be devised about such matters as the proportion of governors who would have to vote for a proposal before it could be submitted, and the position of eg foundation governors in the case of a controlled school, or parent governors, or the head. For all categories of school a governing body's decision to submit a proposal would have to be the subject of a postal ballot of parents and would require endorsement by over 50% of those who vote.

5. The Secretary of State would consider any proposal for GM status submitted by a governing body on its merits in the light of any objections lodged by those affected eg the LEA, which might be concerned about the effect on its ability to secure efficient schooling in the area through the remaining LEA-maintained schools, or the governing bodies of such schools,

or parents of children at the school who opposed the change of status. The Secretary of State would also judge proposals against criteria published by him relating to such matters as:

(1) The admission policies, which would in effect determine the character of the school, which he was prepared to allow the school to adopt.

(2) Maxima for the per capita expenditure per pupil which he would be willing to fund for schools of various size, age-pattern, and type, judged in the light of local circumstances and the requirements of the national curriculum.

(3) The degree of local support for a change to GM status.

(4) The capacity of the proposers to constitute an effective trust or other arrangement for the GM school, the nature and composition of the governing body which would manage the GM school, and its likely capacity to run it effectively.

He would in particular need to satisfy himself that a GM school operating on the basis of these criteria was likely to be financially and educationally viable. The proposers would not be able to appeal against the Secretary of State's decision not to grant the school GM status, although they could seek judicial review of it.

6. If the Secretary of State approved the proposal for GM status, he would require the LEA to transfer its interest in the premises, including any associated debt charges, to the GM school ie the foundation in the case of a former aided school and to a suitably constituted trust or other body in the case of other categories of school - see para 2 above. The LEA who would thus be relieved of a financial burden would receive no compensation, but would regain the transferred

Someone will need to make sure the LEA plays fair.

property interest if the school ceased to exist at some future date. The governors of the GM school would decide which of the school's former staff should be re-employed, if they were willing. The deployment of staff not so re-employed would become the responsibility of the LEA. for how long?

Relationship between the Secretary of State and the governing body of a GM school

7. By accepting the main financial responsibility for maintaining a GM school, the Secretary of State would assume a general responsibility for ensuring not only that his grant was properly and efficiently spent by the governing body but also that the pupils received a good education within the resources available. To enable him to discharge these responsibilities:

(1) He would need to be able to ensure that the governing body was at all times so constituted as to be capable of discharging its responsibilities. He might need a power to regulate its size and composition and to appoint certain governors.

(2) While devolving on the governors responsibility for spending the grant, he would need the power to monitor and audit expenditure.

(3) He would be responsible for, and control, capital expenditure on the school; and would control any proposed disposal of the school's land and buildings.

(4) HMI would inspect the GM schools.

8. The Secretary of State's grant would be based on the number of pupils whom the governing body admitted having regard to all relevant factors, notably the age composition of the pupils, the size of the school, the requirements of

the curriculum, the condition of the premises, and the school's catchment area. The grant would need to meet the cost of services which in the case of a LEA-maintained school are normally provided by the LEA eg home to school transport, school meals, examination fees, as well as the extra costs of a GM school's own administration and of any debt charges.

9. The financial and other obligations of the governing body could take the form of conditions of grant. It would however be preferable to make provision for an agreement between the Secretary of State and the governing body under which the obligations of both parties would be set out: this could give the governing body some protection against the advent of a hostile government.

10. If, for example as a result of population changes, the school failed to attract sufficient pupils to be viable, the Secretary of State would be responsible for closing it and enabling the governing body to make the necessary arrangements for dismissing the staff, placing the pupils and winding up the school. A decision to close the school by withdrawing the grant might have to be taken in opposition to the governing body.

11. If the governing body had discretion to charge modest fees, to a maximum set by the Secretary of State, the financial relationship between the two parties might be easier. The Secretary of State would have the power to confer such a discretion on a governing body, and to require it to operate a means-tested fee-remission scheme; the discretion would not be granted where the GM school had a monopoly in its area.

Take-up

12. The attractions of the scheme would not usually be financial. The Secretary of State would not deliberately support the

school's current expenditure at a level above that which he expected to be necessary for efficient equivalent LEA-maintained schools. Schools contemplating the submission of a proposal for GM status might believe that the Secretary of State would be more generous than the LEA in relation to capital expenditure. An additional financial inducement would arise if GM schools could charge fees or if it proved possible to devise a scheme enabling them to raise private capital at favourable rates.

13. But the main attraction of GM status would be the freedom from the consequences of the LEA's policies, though the establishment of the national curriculum and the extension of financial delegation would give governing bodies new protection against oppressive LEAs. Typically a governing body might seek GM status in three situations, which are not mutually exclusive.

(1) Where the school had a long-established and distinctive local identity and enjoyed correspondingly strong local support eg as a former grammar school, which made it confident of survival with the more distant support of the Secretary of State.

(2) Where the LEA's policies led the school to regard dependence on it as intolerable. This could become the case for most or all the schools in a particular LEA.

(3) Where the school was threatened with closure under a statutory proposal by the LEA and believed that it could attract sufficiet pupils to be a viable GM school.

The number of schools in these situations is impossible to estimate. Much would depend on the governing body's judgment of the likely future political complexion of the Central Government and the LEA; the attitude of the churches and other bodies responsible for voluntary schools, and its readiness

to risk retaliation by the LEA, if its proposal is rejected, notwithstanding the protection afforded by the national curriculum and financial delegation to governing bodies.

14. The actual or prospective establishment of GM schools would complicate LEA's planning for efficient provision, and might inhibit their efforts to rationalise in response to falling rolls. If most or all the secondary schools in an area achieved GM status, the Secretary of State would become the area's main provider of such schools. Further consideration needs to be given to the effect on the LEA's statutory position, and of the possibility of conflict between the exercise of the LEA's functions eg in relation to school attendance and the Secretary of State's responsibilities towards GM schools.

Resources

15. It is possible to illustrate the costs of a scheme on these lines making some broad assumptions about take-up and size of school. Average secondary school unit costs are £1250 (11-16 pupils) and £2000 (16-19). If we assume a take-up of 100 secondary schools at an average size of 900 pupils + 150 in the sixth form, the recurrent costs would be £143m. An addition to the unit cost to take account of schools in inner city or urban areas of say £50 (roughly the difference between average unit costs in metropolitan and county a uthorities) would bring the national total to £148m.

16. There are two further factors:

(1) Schools which have opted out would have to make their own arrangements for central services such as school meals, educational services and administration. It is reasonable to allow a further addition of 10% to unit costs which is the proportion used to estimate such costs in comparing unit costs in maintained and Assisted Places Scheme schools.

(2) Some schools will need to bear the costs of the loan charges associated with their premises. Many of the schools - perhaps half - could require such help with loan charges.

Taken together, these factors might increase the annual Exchequer costs of a 100 school scheme to about £170m.

17. These costs would be offset by reduction in central Government expenditure provision and grant for local authority education, which would be providing for 105,000 fewer children. In principle it ought to be possible to reduce provision by the whole amount of reduction in LEA liabilities through appropriate adjustments to the relevant GRE control totals.

18. It is for consideration whether AEG should be reduced by the full cost of the scheme or by around 50%, in which case LEAs would retain rate borne resources which could be applied elsewhere. A 100% reduction in grant would ensure that the implications of the scheme were cost neutral for taxpayers and ratepayers. A significant reduction in AEG would, however, cut into the amount of block grant available for equalisation. As an extreme case, if schools in the ILEA opted for the scheme, the authority could actually reduce the burden on its ratepayers since it receives no grant at present for maintaining its schools. The reduction in AEG in respect of these schools would instead be borne by other authorities, pushing some of them out of grant.

19. Some increase in central manpower would be required for the supervision by inspection and otherwise by the Secretary of State of schools for which he was directly responsible. Such increases would not necessarily be offset by decreases in the manpower of those LEAs where few schools acquired GM status. It is possible that the emergence of a new category of largely self-administering schools would increase the total of locally employed administrative manpower.

CONFIDENTIAL

1

ENABLING PARENTS TO EXERCISE A WIDER CHOICE OF SCHOOL

1. Parents who send their children to LEA-maintained schools are constrained in their choice of school in a variety of ways, of which the following are among the most important:

- the number and variety of schools provided by the LEA or voluntary bodies in the maintained sector within reasonable travelling distance;

- the cost of fees at independent schools;

- the admission policy of the LEA which may be designed to balance numbers between schools in a period of falling rolls;

- the cost of transport to the school if it is not the nearest considered appropriate by the LEA.

This paper is concerned with schemes for increasing effective parental choice.

VARIETY OF SCHOOLS

2. The variety of schools available to parents will be increased by the introduction of city technology colleges. It is not yet possible to estimate how quickly these will become an established part of the school scene in urban areas. The proposed scheme for enabling LEA-maintained schools to become grant-maintained schools (see Annex B) would also add to the variety of schools available in certain localities where no fees (or only very low fees) are charged.

ACCESS TO INDEPENDENT SCHOOLS

3. Access to good independent schools in being increasingly provided for bright pupils of secondary age by the Assisted Places Scheme (APS). The APS offers means-tested assistance with fees (excluding boarding costs) to a set quota of pupils at selected independent schools. There are at present 226 schools in the scheme and by the time that it has built up more or less to its full planned extent, in the school year beginning September 1987, it will be assisting some 35,000 pupils in the 11-18 range, at a cost of about £50m a year. The scholarship character of the scheme is secured by requiring that schools participating must offer a broad curriculum and have a strong sixth form, so that they can cater for almost any high ability assisted pupils.

4. It might be possible over a number of years after the school year 1987/8 to raise the number of assisted pupils to around 50,000 at an eventual extra cost of about £20m a year and still to preserve the scheme's scholarship character. Such an expansion would not require primary legislation. The practicality of the expansion depends on the willingness of the independent schools of the required quality to increase their dependence on the scheme. At present about 25-30% of the intake of participating schools is taken up by assisted places, with considerable variations about this figure.

5. It is not possible to say how many parents of assisted pupils covered either by the present or an expanded APS would otherwise have borne the costs of sending their children to independent schools. But the deadweight cost of the scheme is likely to be substantial. The present or expanded APS is unlikely to lead to significant savings in LEA expenditure because the number of assisted pupils - who would make up less than 2% of the total secondary school population if the APS were expanded to 50,000 - and their distribution is likely to have a marginal effect on individual LEA-maintained schools.

ADMISSION POLICIES OF LEAs AND SCHOOLS

6. Many popular schools are "oversubscribed" and some parents have to be turned away, not necessarily because the school has reached its physical capacity but because the LEA, or in the case of voluntary aided schools the governing body in consultation with the LEA, has set a ceiling on the number of pupils to be admitted. The following paragraphs outline a scheme to alter the present legal basis on which such ceilings are fixed in respect of secondary schools. The scheme would require legislation.

The present position

7. Under the Education Act 1980, LEAs (governors in the case of aided schools) have to admit pupils to the school of their parents' choice unless to do so would prejudice either efficient education or the efficient use of resources or be incompatible with eg denominational or academic entrance requirements. Admissions are made against published limits for each school. The LEA (or governors) must publish their intended limits and also their criteria for determining admissions (eg proximity to the school) in the event of over-subcription. Parents have a right of appeal to an independent committee against non-admission of their child to the school of their choice, and the appeals committee's decision is binding even if as a result the school's admissions limit is exceeded. In practice, between a third and a half of the 10,000 or so appeals each year are decided in parents' favour.

8. The admissions limit may vary from year to year: it need not bear any close relationship to the school's capacity; and in practice, with falling rolls, many schools' admissions limits are set well below capacity - usually because the LEA seeks to balance admissions and resources between the schools in the area. But admissions limits cannot be reduced

beyond a certain point without reference to the Secretary of State. Every school has a "standard number", a fixed reference point for measuring the number of admissions, which is usually the same as the number of pupils admitted in 1979; any LEA or governing body intending to set an admissions limit which is lower than the standard number by 20% or more must submit statutory proposals for the Secretary of State's approval.

9. It is impossible to give every parent a choice of schools and to satisfy that choice. Those who live in more sparsely populated areas may have only one school to choose from, particularly if they seek a denominational school. There are objections to enlarging a popular school. To do so would be expensive and the qualities which made the school popular might be lost if it were unduly expanded. In addition to allow surplus capacity to increase as school rolls fall would be financially wasteful and educationally damaging: it is Government policy to reduce the number and proportion of surplus places. The extent to which parental choice can be exercised depends on the existence of a margin of spare capacity and there is thus a trade-off with resource management. If less popular schools had proportionately fewer pupils than now, the financial pressure to close them would be greater, and this would operate to reduce the aggregate spare capacity which facilitates the operation of parental choice.

10. It is not administratively practical to require pupils to be admitted to the limit of a school's physical capacity. Such capacity often cannot be satisfactorily determined: for example in a secondary school the limit may be set by the laboratory and workshop facilities for science and for craft, design and technology and there would be unresolved arguments about how many pupils should study these subjects for how long.

Main feature of the proposed scheme

11. The proposed scheme is therefore based on a requirement to admit pupils up to the standard number, a known figure which has by law been determined for every school. In the case of secondary schools, rolls in 1979 were generally close to their peak, so there would be relatively little risk of admissions being limited much below their capacity. A standard number fixed by reference to 1979 admissions would not be appropriate in all cases: for example, schools might have reduced their physical capacity since that date; or they might have expanded; or the standard number might cause overcrowding in the sense that it permitted the admission of more pupils than is compatible with the Secretary of State's premises regulations. The standard number would therefore be redefined as equal to admissions either in 1979 or in (say) 1986, whichever were the higher, or such other figure as might be approved by the Secretary of State on an application from the LEA or the governing body. It would be open to a governing body of a popular school whose standard number was substantially below its likely physical capacity to propose an increase in the standard number. Proposals from a LEA to vary the standard number would be considered in the light of any objections from the governing body, and vice versa.

12. A relaxation of admission ceilings would benefit those parents who would secure admission to the preferred school now denied to them, but it would not necessarily please the popular schools, or the parents of their existing pupils, who might oppose the compulsory expansion of pupil numbers. Those parents who opted for the less popular schools might find these more liable to be closed.

Resources

13. The effect of the scheme on an oversubscribed popular school might typically be to increase admissions by up to 25%, say 200 pupils for a school currently admitting 800.

The scheme might increase public expenditure, but if it did the extent could not at present be estimated with any confidence. The expanded schools would tend to cost less per pupil to run, and to the extent that their expansion led to the closure of contracted schools there would be further savings. But where the contracted schools had to be retained, their unit costs per pupil would have to rise to maintain the quality of provision for the pupils who remained in accordance with the requirements of the national curriculum. It is uncertain what the balance of savings and extra costs would be. The scheme might require a very modest increase in administrative manpower.

HOME TO SCHOOL TRANSPORT

14. The following paragraphs consider a scheme for enabling more parents to send their children - particularly those of secondary age - to the LEA-maintained school of their choice, by increasing the availability of free home to school transport. The scheme would effectively apply only to the extent that the chosen schools had spare capacity within their admission limits. It would therefore apply to more parents if the admission limits of secondary schools were raised under the scheme outlined in paras 6 - 13 above. The scheme would require legislation.

The present position

15. At present if a child lives more than 3 miles (2 miles if it is under 8) - the so-called "walking distance" - from the school which the LEA considers the nearest appropriate, the LEA must arrange free transport if the child attends that school. LEAs tend to regard the nearest school for the age group where places are available as the nearest appropriate one. They are sometimes prepared to make exceptions on account of special factors eg if the parents wish their child to attend a denominational school further away than the school which would otherwise be the most suitable. But this is typically subject to an upper limit of (say) 10 miles or 1 hour journey

time. Over a number of years LEAs have sought to reduce expenditure on transport in order to protect expenditure in the classroom and have reduced the number of exceptions they are prepared to make.

16. About 10% of the school age population is estimated to travel free of charge, 20% in the case of secondary school pupils. In some cases pupils travel with free passes on stage carriage services; but in many cases LEAs hire special contract buses and taxis. LEA expenditure on home to school transport, excluding transport of handicapped pupils, was about £120m in 1984-85, of which about £100m (£82m for shire authorities) was in respect of secondary school pupils. The annual cost per secondary pupil is about £140, for some 700,000 pupils.

Scope of the scheme

17. Under the proposed scheme free transport would become available:

(1) for pupils attending any maintained primary or secondary school situated beyond the walking distance but less than 10 miles, and less than 1 hour's journey, from their home.

(2) As now, for pupils attending a primary or secondary school which is more than 10 miles or 1 hour's journey from their home if that school is considered by the LEA to be the nearest suitable school.

The scheme would not apply to pupils attending special schools.

18. The scheme would benefit in particular:

(1) those parents now deterred by the cost of transport from sending their child to a school maintained by their LEA which is further than the nearest

school considered suitable by the LEA but which the parents prefer. The scheme might for example enable them to send their child to a denominational school, a single-sex school, a selective school or one which other members of the family attended.

(2) Those parents now deterred by the cost of transport from sending their child to a school maintained by another LEA when they wish to avoid achools maintained by their own LEA: this situation would obtain particularly in urban areas such as Greater London.

19. For most parents the scheme would make no difference because they could continue to send their children to a school within the walking distance, or to the nearest school considered suitable by the LEA, or would as now prefer to make their own transport arrangements eg because it was convenient. Moreover many of the parents for whom the scheme would make a difference would avail themselves of it only over time: for example, they might not wish to move their child to another school at certain stages of schooling. Only slender evidence is available for estimating how many parents might eventually make use of the added benefits of the scheme. Some US voucher feasibility studies and the Kent voucher study in the 1970s found that 10% to 20% of parents said that given an unconstrained choice they would opt for a different school.

20. A survey of school transport in England and Wales also carried out in the early 1970s found that about 3% of secondary age children attended a school beyond the "walking distance" but did not get free transport. Many of them would have been attending schools other than the nearest appropriate but this figure would also include, for example, those who cycled to school, or whose parents took them because they found it convenient or preferred not to rely on public or LEA-provided

transport. On this evidence substantially less than 3% of secodary age pupils would receive free transport under the scheme in order to attend the school they would otherwise attend anyway.

Resources

21. The extra cost of the scheme would depend on a number of factors, the most important of which would be the extent to which:

(1) the parents benefiting from the scheme were already getting free transport and

(2) the exercise of choice encouraged by the scheme led to longer average journeys.

At one extreme the cost could be near to zero; by contrast, the Kent study suggested that at the other extreme the cost at secondary school level might be doubled. In practice there would be a range of effects - some parents indeed might choose schools which were nearer to home. As noted in paragraph 20 above, the slender evidence available suggests that 10% to 20% of parents given an unconstrained choice might opt for a different school. Some of these parents would probably still choose a school within the walking distance, especially in towns. But if (say) 15% opted for a school beyond the walking distance in the light of the offer of free transport, this would enable about 480,000 pupils to go to a different secondary school from the one which the LEA would have preferred. If the average journey cost was unchanged (£140 - see para 16) the net extra cost would be of the order of £67m (£75m at 1986-87 prices). This would be the eventual full year extra cost to which the sum would build up over time.

22. The extra cost of applying the scheme to primary schools would probably be much less, because of the parents' tendency to prefer a school close to home. Primary schools could

however be excluded in the first instance as an administrative easement and as a way of limiting the cost.

23. The scheme could have a significant differential effect on LEAs' spending needs - not confined to the direct cost of transport. It is likely that most of the cost would as now fall on shire counties, since they are less densely populated home to school journeys tend to be longer and most secondary schools are in towns. However by the same token there is scope for parents in urban LEAs to exercise a wider range of choice and a school in a neighbouring LEA may be within a reasonable travelling distance for more of them. The extent to which parents used the scheme would depend inter alia on their degree of satisfaction with the schools in their area and the general policies of the LEA and this may vary from LEA to LEA. The higher transport costs in shire counties within the existing arrangements are recognised in the needs assessment used to distribute block grant through an adjustment for sparsity of population. Consideration would need to be given to whether, and if so how, to allow for a differential increase due to the scheme. As regards cross-boundary movements, the LEA in which a pupil lives is automatically obliged to pay, on request from the LEA in which he actually goes to school, the cost of his education incurred by the "providing" LEA, including any cost of home to school transport. LEAs whose schools are unpopular with their residents would be obliged to transfer funds to more popular neighbouring LEAs.

24. The scheme might give rise to a small increase in administrative manpower employed by LEAs.

Other implications

25. The scheme would give rise to strong pressure to dispense with the "walking distance" limits. These are perceived as discriminating unfairly between those who live nearer and

further from the school of their choice and are indeed a greater source of vexation to many parents than the question of choice of school itself. They have existed in one form or another since 1870 and are felt by many to be outmoded. If the distances were retained they would provide an added incentive to some parents to choose a school slightly beyond the limits in preference to one within the limits. If the distances were reduced or abolished however this would bring a much larger proportion of the school population within scope of free transport and the cost could be very high. Given the case on cost grounds for some limits, the present distances can scarcely be claimed to be intolerable. Proponents of abolition would also have to meet the point that the cost might have to be recovered by a redistribution of the burden on the lines of the flat rate proposal in the 1980 Education Bill which was rejected by the Lords through the opposition of church and rural interests.

26. The upper distance and time limits incorporated in the scheme could also give rise to complaints of discrimination, particularly if the parents preferred a denominational school. Many hard cases arise from the uneven distribution of denominational secondary schools in shire counties. Like the present arrangements, the scheme would have to take some account of local conditions and this would mean that the legislation would have to leave a degree of discretion to the LEA. The Kent study suggested that most parents accepted one hour as a reasonable upper limit for the journey for a secondary pupil, but there is a regular flow of complaints at Ministerial and official level from parents who would be prepared to let their children travel further than this especially to a denominational school.

27. One result of the scheme might be that the more enterprising and concerned parents in the inner cities would send their children to schools in the suburbs. In consequence some LEAs might have difficulty in providing viable schools

in the inner cities for the remaining inner city children.

Implementation

28. A number of LEAs ask parents to express their preferences for a secondary school in the autumn in relation to the start of the following school year. If the legislation for the scheme secured Royal Assent by end July, it might just come into effect in time to enable parents in such LEAs to express their preference for a secondary school under the new regime later that autumn. If Royal Assent slipped beyond July the scheme could probably not begin to operate until the start of the next but one school year.

Establishing the national school curriculum

1. The purpose of the national school curriculum under consideration is to raise the standard of education of all pupils by giving them the best possible opportunity to acquire, in accordance with their ability and aptitude, that range of knowledge, skill, competence and understanding, and to develop all those personal qualities and attitudes, which taken together are necessary for adult life and work in the society of today and tomorrow. It is not the main objective of the national curriculum that all pupils should reach a prescribed minimum standard, which, given the wide variation in pupils' ability, would have to be a low threshold of attainment. The main objective is to maximise the attainment of every pupil in relation to his or her ability; achieving such an objective has the incidental consequence that nearly all pupils reach or surpass an acceptable threshold of attainment. The national curriculum would not extend to religious education the arrangements for which are laid down in some detail in the 1944 Act.

2. It would be convenient initially to limit the establishment of the national curriculum to the compulsory period. Once full-time education ceases to be compulsory, there is a much greater variety of educational objectives and courses.

The principal features of the national curriculum

3. The national curriculum would have three fundamental features.

(1) It would specify a number of subjects which must be taken by all pupils.

(2) It would prescribe certain things in relation to each such subject, in particular the objectives of studying it.

(3) It would allow for differences in pupils' ability and aptitude.

(4) It would set attainment targets at selected ages which would take account of these differences.

4. As regards 3(1), - the prescribed range of subjects of the secular curriculum - Government policy and the intentions of LEAs and schools broadly agree that the requirements of adult life and work make it essential for every pupil to study a broadly agreed range of subjects (including cross-curricular subjects) during the first nine years of the compulsory period; and that when these are all present in the curriculum of schools, there is effectively no room for any substantial additional subject. So for these years taken as a whole we have the makings of a more or less agreed common list of prescribed subjects, with effectively no option to remove or substitute a subject on it, which would apply to primary and secondary schools (though it would need adjustment for some special schools). This list of subjects comprises English, maths, science, a foreign language, history, geography, technology, art and music, and PE.

5. For the last two compulsory years, Government policy allows some, and the policies and practice of LEAs and schools rather more, choice in the subject mix of pupils' programmes of study. Specialisation in England starts earlier than on the European continent, and weakens the effectiveness of English initial education as a preparation for the modern world. The national curriculum would need to tackle this weakness in its stipulations for the scope and character of option choice for the last two compulsory years. At present all pupils during those years take English, maths and PE, and it is Government policy that they should also take science. The national curriculum would add to this prescribed list a foreign language, history, and technology, and perhaps

other subjects eg geography. The complete establishment of this enlarged prescribed list would take time, because it involves substantial changes in, for example, the specialist composition of the teacher force. It would be necessary to accommodate some choice of subjects not on the list eg a second foreign language or business studies and to leave scope for particular emphasis to be given to the more extended study of selected subjects on the list. The resolution of these complex issues needs further consideration, and is likely to require an extension of the school day or year - see para 6 below.

6. One particularly difficult issue is the relative weight to be given to each prescribed subject. It is difficult to determine this without determining, at least by implication, the proportion of total curricular time to be allocated to each subject. Yet a precise specification of allocated time would unduly restrict the freedom of schools to organise sensible time-tables corresponding to their particular circumstances. The aim should be to specify minimum time allocations for subjects or groups of subjects. In the secondary phase, notably in the two last compulsory years, it has proved very difficult both in theory and practice to compress all the essential elements of a broad and balanced curriculum into the time available. It seems necessary in due course to extend the length of the school day or year for secondary pupils and perhaps to accompany this with stipulations about time to be spent on homework and its contribution to the curriculum.

7. As regards 3 (2) - the prescription for each subject - the national curriculum would need to reconcile two objectives: first, to ensure that each prescribed subject makes its optimal contribution to the total curriculum without taking up so much curriculum time as to prevent the other prescribed subjects from making their contributions; second, to restrict

the degree of prescription so as to allow schools and teachers to adapt what and how they teach to the particular circumstances and needs of their pupils and to try out and develop new ideas and approaches without waiting for a signal from above. The resolution of this conflict of objectives may take different forms for different subjects.

8. The attached note by HMI (Appendix 1) describes the approach to one area of the curriculum - history - in France and a fairly typical Land in West Germany - Baden - Wurttemberg. It also describes in broad terms the approach to history set out, to stimulate discussion, in the publication "History in the Primary and Secondary Years: an HMI View". The last approach is substantially less prescriptive in terms of syllabus content than the corresponding arrangements in France and West Germany. It would not be a sufficient basis for the national curriculum for history since it does not, for example, offer guidance on what particular periods are to be covered or on the emphasis to be given to political and economic history. For the national curriculum the following minimum would have to be specifically stipulated for history:

(1) those objectives of learning history which justify its place in the national curriculum. These would be that knowledge, skill, and understanding, and those attitudes and personal qualities, needed for adult life and work which history uniquely or strongly confers - eg a chronological map of the past, an understanding of our national heritage, and the ability to make rational judgments from limited evidence.

(2) targets for say age 9, 11 and 16 specifying the knowledge, skills and understanding conferred by history which are expected at various levels of ability.

(3) the principles governing the content of history taught at various ages. The degree of choice over content allowed to teachers would need to be indicated.

(4) the principles governing the approaches to history teaching at various ages. These would embrace such questions as the adjustment of pace and depth to pupils' abilities, the balance between theoretical and practical work, practical applications eg the use of locally available evidence for history studies, and the balance between class, group and individual work.

Specifications of this kind are to some extent already present in the published criteria for the main GCSE subjects.

9. As the national curriculum would contain specific stipulations relating to each subject, the educational publishers would adapt accordingly the text books and other materials that they produce for use in schools - if they did not do so they would risk losing their markets. British educational publishers have an excellent record of producing text books which schools value and need. The Secretary of State would of course need to monitor these materials to ensure that they really helped schools achieve the objectives of the national curriculum. If he were dissatisfied, consideration would need to be given to a scheme for certifying that text books and other materials were consistent with the national curriculum and of a suitable quality. Great care would need to be taken in the construction of any such scheme, which could very easily become excessively bureaucratic, suppressive of the innovative qualities of the present highly commercial market and open to abuse by future governments. The associated question of banning unsuitable materials is discussed in para 19 below.

10. As regards 3 (3) - differentiation - the national curriculum would not in general take account of variations in pupils' ability and aptitude by differentiating over the prescribed range of subjects. Differentiation would mainly be achieved via the pace at which, and the depth to which, each prescribed subject was studied. Achieving differentiation in these two ways is professionally exacting and raises difficult problems of organisation, in particular how far grouping by ability in a subject is practicable or desirable between schools, within a school, and within a class; and how far it is practicable and desirable for pupils to move more slowly or quickly than the norm through the age-based progression of classes normally found in primary and secondary schools.

11. As regards 10 (4) - age-related attainment targets - the national curriculum would specify levels of attainment in the prescribed subjects at the ages which are most significant for the study of each subject. These "benchmark" ages might vary between subjects but would always include age 11 and 16. The targets would need to take account of variations in pupils' abilities in the subject. They would be monitored and supported by formal assessments and tests - see paras 21-22 below.

How would the national curriculum be formulated?

12. The experience of countries such as West Germany and France suggests that the acceptability of the national curriculum to the education system and to its customers, and hence its enforceability, are greatly increased by associating all concerned with its formulation, by publishing it in such a way that parents, employers and the public understand it, are familiar with it, and become committed to it, and by a readiness to revise it in the light of changing circumstances and of experience. The Secretary of State would have the final say in formulating the national

curriculum and would publish it. But he should be in a position to claim that what he issued was not something imposed by the Government on an unwilling education system and nation but was at least broadly acceptable to the generality of those concerned and was based on the best professional and other advice available within and outside the education system.

13. To secure these objectives, the Secretary of State would be required, before issuing or amending the national curriculum, first, to have received the advice of a Curriculum Commission appointed by him and, second, to have consulted the interests concerned in the light of that advice. He might additionally be required to publish his reasons if he departed from the Commission's advice and perhaps to report publicly on the outcome of his consultations. Since the national curriculum would be issued in the form of statutory guidelines - see para 14 below - its issue would be made subject to Parliamentary approval or veto.

14. The Commission would be very different from the former Schools Council which was not mainly appointed by the Secretary of State, lacked a coherent management structure, and was dominated by the teacher unions. The Commission would have a wide remit, requiring it both to advise the Secretary of State when asked and to offer him advice without being asked if it judged this appropriate. It would need to work through subordinate machinery eg working groups concerned with particular subjects. It would require a substantial staff, drawn from a range of sources including LEAs, teachers, the DES, higher education, industry and commerce. A full-time chairman, and perhaps a half-time deputy chairman, would be needed to control such a substantial administrative apparatus. The Commission would be appointed by the Secretary of State. To be both effective, and to reflect the many interests involved, it might consist of

15-20 people - preferably 15 - including academics, industrialists, councillors (across the political spectrum), teachers, and parents. To secure the cooperation of local government and the teaching profession, the Secretary of State would seek to appoint councillors and teachers who enjoyed the confidence of their colleagues. One possible way to achieve this would be to appoint members from a list of nominations from the local authority and teacher associations. Another possibility would be to appoint on the basis of informal consultations with the associations. But the size of the Commission and the undersirability of appointing mere spokesmen of interest groups mean that the Secretary of State would not be obliged to appoint any of the nominees.

Enforcing the national curriculum

15. The national curriculum would be expressed in the form of guidelines, set out in regulations made by the Secretary of State, with which the LEAs, school governing bodies and headteachers would have to comply in the discharge of those of their functions which bear on the school curriculum. These functions are defined in the 1986 Act which provides that:

(1) Each LEA is required to formulate and publish a policy for the secular curriculum which has to serve as the basis for the exercise of its functions as provider, employer and paymaster.

(2) In county, controlled and maintained special schools the governing body has to determine the aims of the school's curriculum after considering the LEA's policy and the advice of the headteacher,

and these aims may modify that policy, but not alter it out of recognition. The headteacher then determines the curriculum for the school (other than for sex education) so that it is compatible with the LEA's policy or the governing body's modification of it, and is wholly responsible (except in relation to sex education) for organising the delivery of the curriculum which he thus determines.

(3) In aided and special agreement schools the governing body, after having regard to the LEA's policy, controls the secular curriculum and the head determines it and organises its delivery subject to that control.

Since the Secretary of State's guidelines would leave room for local discretion and perhaps modification, their introduction might prove to be compatible with the 1986 Act allocation of responsibilities outlined above. But this would require further consideration. It seems clear that responsibility for the school curriculum, subject to the guidelines, could not be devolved wholly upon governing bodies and headteachers. As long as the LEA is responsible for securing sufficient efficient school provision for its area, it cannot be divested of substantial responsibilities for the curriculum; but these responsibilities would be discharged subject to the Secretary of State's guidelines.

16. Although LEAs, governors and heads would be given a statutory duty to comply with the guidelines, ensuring that all of them do so would not be easy. The fact that the guidelines would be published would help parents and others to identify non-compliance, to report it to the head, governors, the LEA or the Secretary of State, and to bring appropriate pressure to bear on the governing body at the annual parents' meeting. But most parents would not be well placed to deal with obstruction from the head and other teachers, or with non-compliance defended, for example,

by professional arguments about the suitability of the guidelines for particular pupils.

17. A more effective way of identifying non-compliance would be by inspection of the school. There would need to be more frequent inspections for this purpose than now occur as a result of the work of HMI and local advisers and inspectors. If their other present duties were unchanged, additional inspectors at both national and local level would be needed.

18. However non-compliance comes to be identified, the responsibility of securing compliance by a school would in the first instance probably have to fall to the governing body. If the governors failed to do this, responsibility for ensuring that they did would initially fall on the LEA in the case of a county, controlled or maintained special school, and would fall on the Secretary of State in the case of an aided school. Non-compliance by the LEA, whether it arose from its own curricular policies or from its failure to secure compliance by a governing body, would fall to be remedied by the Secretary of State. Enforcement action by LEAs and the Secretary of State would have local and central manpower implications. Since it would be the duty of the LEA or governing body to secure compliance with the Secretary of State's guidelines, failure by either to discharge that duty would attract the Secretary of State's existing default powers under section 99 of the 1944 Act. Since the default would generally be fairly specific, the remedy too would often be fairly specific and could then be the subject of a section 99 direction enforceable by mandamus. The section 99 powers will therefore be easier to apply than is generally the case at present in relation to default that bears on the quality of education.

19. The default powers should enable the Secretary of State to stop the use of textbooks or other materials which conflicted with his guidelines. They might however be extended to cover the proposed use of such items, so that he could in effect ban their use anywhere in the school system. The use of books or materials for purposes of political indoctrination is already caught by section 44 of the 1986 Act which requires LEAs, governors and heads to forbid the promotion of partisan political views in the teaching of any subject.

20. The effective implementation of the guidelines would be strongly encouraged if Government grant were targeted towards particular purposes in support of the national curriculum through some increase in the Secretary of State's powers to pay specific grant. Such a change might also supplement his default powers by enabling him to impose financial penalties for non-compliance through reductions in grant.

21. Adherence to the guidelines would be promoted through the GCSE. The criteria for that examination would have to conform to the guidelines. Not only would this help to apply the guidelines to the last two compulsory years. The GCSE results would also indicate how far pupils were achieving the age 16 attainment targets for each subject. This approach could be extended to the earlier secondary and older primary years by prescribed arrangements for the periodic assessment and testing of pupils to establish their progress in the prescribed subjects. Experience suggests that teachers are generally anxious to cover the ground necessary to prepare pupils for tests which are a known and required feature of schooling and whose results are therefore regarded as important by pupils and parents. The periodic assessments and tests would be a powerful inducement to teachers to follow the guidelines for the national curriculum, and would indicate how well pupils were acquiring the knowledge, skills and understanding which the guidelines were designed to promote.

22. To ensure that public examinations and formal assessments and tests taken at school conformed to his guidelines, all such forms of assessment would require the approval of the Secretary of State, or of a body nominated by him. This requirement, like the requirement for formal assessments and tests, would be a large and controversial change. It is necessary to consider further how best to secure the optimum balance between, on the one hand, ensuring that formal assessments and tests secure adherence to the national curriculum and monitor its effectiveness and, on the other, that what pupils are taught does not become narrowly limited to preparation for the assessments. The assessments would desirably relate to work done during the course in question as well as the results of tests during or at the end of the course. The outcome of the assessments and tests would desirably take the form of a grade awarded for each prescribed subject on a short simple scale. The assessments and tests would be subject to the Secretary of State's guidelines and would be moderated externally. But subject to that the assessments might be made and the tests might be set and marked by the schools themselves in order to enlist the commitment of teachers. The assessments and tests should differentiate for pupils' abilities, so as to enable pupils to be judged by what they could do rather than by what they could not do, and so as to stretch the abler pupils and maintain the motivation of the less able. The assessments and tests would become a normal feature of a pupils' progress through the compulsory period. They would have a special significance in relation to the "benchmark" ages for which the national curriculum set attainment targets for the prescribed subjects - see para 11 above.

23. The application of the guidelines would be further supported by appropriate use of the Secretary of State's power to approve initial teacher training courses, his power under the Teachers' Pay and Conditions Bill to determine the duties of teachers, his power to pay grant towards in-service training and his power in relation to teacher appraisal.

Resources

24. The establishment of the national curriculum would better direct the efforts of many schools and so increase the cost-effectiveness of the resources available to them. But it also has significant implications for the quantum of resources. In particular:

(1) It implies an entitlement to a certain standard of provision which may be higher than is currently found in some LEAs and schools. The requirements of the national curriculum would need to be explicitly recognised in the Government's expenditure plans and in the GRE needs assessments of individual LEAs.

(2) It is likely to require additional manpower to formulate, maintain, monitor and enforce.

(3) The proposed extension of the school day or year for secondary pupils would have implications for the cost of teachers and other resources.

Possible knock-on effects

25. The introduction of the secular 5-16 national curriculum is likely to raise expectations of change in related areas, in particular:

(1) it might call in question the 1944 settlement of religious education.

(2) It might prompt pressure for changing the post-16 curriculum, particularly full-time education leading to higher education.

(3) Making "school" examinations subject to the Secretary of State's approval raises the issue of whether that approval should also be required for "FE" examinations eg BTEC, CGLM, RSA.

A public statement

26. Establishing the national curriculum involves legislation. It is likely to arouse opposition from those who regard greater central control over the school curriculum as a threat to personal freedom; from those, notably in local government, who oppose any shift of power towards the centre; and from those teachers who fear a loss of the professional freedom which they believe has served English education well. To prepare the ground for the change, and to enlist the potential public support for the national curriculum, the first step would be the publication of a consultation paper which would:

(1) Explain the advantages of a national curriculum: the greater certainty of giving every pupil a good education, and of protecting many pupils from abberrant LEAs or teacher; the increased accountability of schools to parents and others by virtue of a published description of their task; and the motivating effect on teachers, pupils and parents of defined objectives against which pupils' progress can be assessed.

(2) Give an account of the action in train towards agreement on national objectives for the school curriculum and examinations.

(3) Outline the proposed features of the national curriculum and the arrangements for formulating and applying it. It would be important to stress that the guidelines would promote a broad curriculum which would concern itself with pupils' attitudes and personal qualities as well as their knowledge and skills.

APPROACHES TO A HISTORY CURRICULUM

The attached Annexes describe

A. the approach to the history curriculum in England discussed in the HMI publication "History in the Primary and Secondary Years";

B. the approach to the history curriculum in France;

C. the approach to the history curriculum in West Germany and in one Land in particular (Baden- Wurttemberg).

2. Briefly, the three approaches have the following main characteristics:

ANNEX A

England - if the approach in "History in the Primary and Secondary Years" was followed, schools would have detailed guidance on what historical processes and skills to cover, and by when; would be equipped with a range of concepts and ideas as a guide to the selection of content; and would have guidelines on broad aspects of content which should be common to all schools. But the HMI publication does not set out specific content and offers no guidance on, for example, a particular chronology to be covered; the emhasis on national history; or the balance between human, political and economic history.

ANNEX B

France - in France, the national curriculum includes detailed prescription on syllabus content. History and geography are both covered by the same guidelines. In the primary years the emphasis is almost wholly on French history from its beginnings through to the 20th century. Key aspects to be covered are listed and the scheme is broadly chronological. In the secondary phase the

syllabus covers the same ground in more detail, covering seven great civilisations and the growth of Christianity and the nation state. It is again chronological and France is again the focus ("[the teacher] sets French history in the context of the great civilisations, shows how the national identity has emerged and the continuous nature of French history.....").

ANNEX C

West Germany (Baden-Wurttemberg) - each Land has its own curriculum guidelines which cover both general themes and appropriate content, but without the level of prescription in France. In practice, all syllabuses cover virtually the same ground by the end of full-time schooling progressing from the immediate locality, to the broader region to a chronological treatment from prehistoric times to the present. The main focus is Europe and Germany's place in it. The teaching of history is seen as an important factor in educating youngsters for good citizenship and political responsibility. There is much cross-referencing to relevant work in other subjects and efforts to link the political elements of history with the social, economic, scientific and cultural.

APPENDIX 1
ANNEX A

HISTORY IN ENGLAND

HMI PUBLICATION "HISTORY IN THE PRIMARY AND SECONDARY YEARS"

1. In "History in the Primary and Secondary Years" (copy attached) we set out in a grid (pages 18-19) the historical skills which should be covered and developed in the years of compulsory schooling, and related them to children's learning ages. The full grid is attached at Annex A. In general terms, line B represents what we believe children should normally have mastered by the end of the primary phase. Line C similarly covers the first year of the secondary phase.

2. In addition, we identified a number of historical concepts and ideas related to historical understanding which pupils should have met by the age of 16. These are listed in the attached Annex B. Most of the terms could be related to, and understood within, any period of history, although a few are more specific to a period or theme, for example: crusade, feudal, Renaissance, fascism, communism.

3. The lists of historical skills and concepts in the attached Annexes were designed so as to have general application in the sense that they are content free. Neither constitutes a syllabus. Rather, they represent a conceptual framework for the construction of syllabuses by those charged with that task.

4. The location of responsibility for drawing up syllabuses is a wider issue. However in our view, some guidelines will be helpful in relation to history. All the past cannot be included and selections will have to be made. But we believe that all syllabuses should contain broad aspects of content in common. These are:

a. some British, local and European/world history should be present. These are not necessarily separate or cumulative items. A locality can exemplify and be affected by wider events. For example, the Norman

Conquest, the dissolution of the monasteries, the building of the railways or the national grid, the General Strike, the Second World War will all have affected this or that village, monastery, market town, factory or suburb;

b. if the syllabus is to illustrate 'similarity' and 'difference', some societies very different from our own must be studied. For example, a pre-industrial society or a pre-European colonial society;

c. if the syllabus is to develop an understanding of 'change' and 'continuity', themes must be studied over an appropriately long period. Examples are 'industrialisation', 'the evolution of parliamentary democracy' or 'the evolution from colony through Empire and Commonwealth to a multi-cultural society';

d. if a history syllabus is to contribute to an understanding of contemporary society by placing its issues in their historical context, some themes of current importance must be studied.

5. We would also offer broad guidelines on the question of selection and criteria when considering which issues, themes and events to choose. For example:

a. exploiting school resources, including the knowledge, experience and interests of the teachers;

b. the previous knowledge, experience and interests of the pupils;

c. the location of the school as a factor in determining the emphasis on and detailed study of particular issues;

d. the availability of primary source materials.

6. "History in the Primary and Secondary Years" also discusses the question of a 'map of the past' which would introduce all pupils during the course of their study of history to a shared chronological framework irrespective of their detailed learning. The three examples of such frameworks attached at Annex C indicate the different kinds of approach to this and the likely difficulties in securing agreement to one particular model.

SOME OBJECTIVES FOR PUPIL PROGRESS IN HISTORICAL SKILLS

		1 Reference and Information Finding skills	2 Skills in Chronology	3 Language and Historical Ideas	4 Use and Analysis of Evidence	5 Empathetic Understanding	6 Asking Historical Questions	7 Synthesis and Communication using basic ideas
A	BY THE AGE OF 8	Can scan pictures and simple books. Can read simple accounts. Can use page references.	Be able to use basic vocabulary (eg 'now', 'long ago', 'then' 'before', after'). Begin to understand the chronology of the year (eg seasons). Begin to record sequence of stories heard on a wall chart. Be able to put some historical pictures and objects in sequence.	Can 'use' terms commonly used in stories of past (eg hero, heroine, king, queen, nobleman, sheriff). Begin to use words such as 'the past', 'myth', 'true'.	Can describe the main features of concrete evidence of the past (eg pictures, artefacts, buildings) and hypothesize as to their use. Is familiar with the question "How do we know?".	Can say, write or draw what they think it felt like in response to some historical story which has been heard.	Begin to become aware of basic historical questions, eg 1. What happened and when? 2. Why did it happen? 3. How do we know?	Using memory and recall, can describe orally and in writing some past events or story in narrative or dramatic form. Can make a pictorial representation.
B	BY THE AGE OF 10	Know which books supply information (eg topic, encyclopaedias). Can use contents, index and glossaries of books. Can read different passages to select information relevant to a topic. Can use visual sources (eg pictures, filmstrips, slides, artefacts). Can use oral sources (talk, tape, radio). Can list main points from one or more sources using teachers' questions.	Know terms BC and AD. Understand 'generation' in family context. Know sequence of prehistoric, ancient times, middle ages and modern. Be able to put a wide range of historical pictures and objects in sequence. Can make a simple individual sequence chart.	Can use an increasing number of terms which arise from topics studies (eg knight, peasant, emperor, bishop). Knows words such as 'history', 'archaeology'.	Can define in simple terms 'source', 'evidence'. Can understand and make deductions from documentary as well as concrete evidence (eg pictures, artefacts). Can describe the main features of simple maps, diagrams or graphs. Increasingly asks the question "How do we know?".	Can make a simple imaginative reconstruction of a situation in the past and how it appeared to some of the people in it, using the evidence available to draw, model, dramatise, write or tell the story.	Become used to asking of any historical period studied questions about the main features of everyday life, eg 1. When and how did people live and how did they clothe and feed themselves? 2. What was the available technology? 3. What were the life styles of different social and gender groups? 4. What are the differences between now and then?	Can describe orally and in writing some past events or situation recognising similarities/differences with today. Can state information in a graph, diagram or map. Can support an account or conclusion with some evidence.
C	BY THE AGE OF 12	Can use a library catalogue (subject). Can read textbooks and topic books in conjunction. Can make more detailed notes under supplied headings using several sources. Can use abbreviations such as eg, ie.	Understand 'century' and how dating by centuries works. Can put dates in correct century. Know sequence of Roman, Saxon, Viking, Norman, Tudor, Stuart, Victorian. Be aware of some historical period terms eg Reformation. Can make a time chart using scale.	Can use an increasing number of terms which arise from topics studied (eg keep, lateen, sail). Can use common terms of a greater degree of abstraction (eg ruler, law, subject, parliament).	Is aware of variety of historical evidence at different periods of time. Can distinguish between primary and secondary sources. Can understand and make inferences from primary and secondary accounts (textbooks, fiction). Can recognise 'gaps' in evidence. Can interpret simple graphical sources.	Can make an imaginative reconstruction, which is not anachronistic, of a past situation based on several pieces of evidence, including historical fiction, and exploring some of the feelings participants might have had at the time.	Become used to asking of any historical period additional questions of increasing difficulty eg 1. Who governed and how and with what results. 2. What did they worship and what values did they live by? 3. What was their art, music and literature?	Can put together orally and in writing a narrative of past events or situations showing evidence of continuity and change and indicating simple causation. Can make accurate diagrams or maps based on several pieces of evidence.
D	BY THE AGE OF 14	Can use more complex cataloguing and retrieval systems. Can extract information independently from written and pictorial sources. Can make notes in a form which distinguishes main from sub-points.	Be able to put an extensive range of historical pictures and objects in sequence. Can make a time chart which compares developments in contemporary civilisations (eg Iron Age Britain and Ancient Athens, or 16th Century Europe and Aztec/Inca South America). Can make a time chart which records events in different aspects of history, eg politics, war, buildings, costume etc.	Can use an increasing number of terms which arise from topics studied (eg free trade, invention, protection, imperialist). Can use terms commonly used in historical explanation (eg motive, cause, change, reform, progress, economic, political, social).	Can compare two accounts of the same events and note contrasts and similarities. Can recognise that evidence may not be impartial. Can distinguish between fact and opinion. Can begin to interpret simple statistical sources.	Can show understanding of a person's viewpoint within a given historical situation. Can consider the viewpoints of opposing sides and of people for whom they may not feel sympathy.	Begin to analyse historical events by asking the following questions eg 1. What was the immediate cause? 2. Did any long-term cause operate? 3. Were there political, economic or religious causes etc? 4. To what extent were personalities important?	Can write an account of some past events in terms of cause and effects supported by evidence.
E	BY THE AGE OF 16	Can summarise. Can ask own questions of information to answer problems. Know how to use and make footnotes and bibliographies (eg in Project Work).		Continue to extend knowledge of terms specific to topics studied (eg democracy, liberal, welfare state, fascist, marxist)	Can distinguish relevant and irrelevant evidence. Can compare various pieces of evidence and note contradictions and gaps. Can recognise bias and 'propaganda'.	Can identify the extent of choice available to a person in a given situation in the past. Can identify the values and attitudes on which human actions have been based in the past.	Can ask questions about different interpretations of past events.	Can write a clearly structured account which, using evidence, argues clearly to a credible conclusion. Can write an analytical account of past events which takes into consideration different interpretations. Can write a longer account which includes proper use of footnotes and bibliographies (Projects).

Table 2. Concepts and ideas commonly used in history teaching with pupils up to the age of 16.

administration
agrarian
anachronism
anarchism
ancient
archaeology
aristocratic
authority/ authoritarian
bias
bishop
bourgeois
capital
capitalism
catholic
civilization
class
classical
commonwealth
colony/colonialism
communist
conclusion
conservative
constitution
continuity
conversion
crusade
culture
cause
change
democratic
development
dictator
diplomatic
economic
emperor/empress
empire
evidence
fascist
feudal
frontier
government
hero/heroine
humanist
hypothesis
imperialism
industrial
inference
international
king/queen
labour
law
left-wing
legal
liberal
marxist
medieval
modern
monarchy
motive
myth
nation
noble
oligarchy
parliament
peasants
policy
political
power
prehistory
primary source
progress
progaganda
proletariat
protestant
radical
reaction
rebellion
reform
religion
renaissance
republic
revolution
right-wing
ruler
secular
secondary source
science
social
socialist
society
state
technology
treaty
war
welfare(state)

FRAMEWORKS OF THE PAST

Framework 1

The Greeks
The Roman Empire
The coming of Christianity
The Norman Conquest
The spread of Islam
The Renaissance
The Reformation
The English Revolution of the 17th Century
Industrial Revolution
The American Revolution
The French Revolution
Growth of parliamentary democracy
From Empire to Commonwealth and multi-cultural Britain
The Russian Revolution
Britain's Welfare State
World Wars One and Two

Framework 2

9000 – 8000 BC	Domestication of animals and crops 'Neolithic Revolution' (Middle East and North Africa)
	Hunters spread South through the Americas
c. 4000 BC	Bronze casting in Middle East
c. 2590 BC	Cheops builds great pyramid at Giza
c. 1600 BC	Shang Dynasty China 'Shang Bronze Age Culture'
c. 1500 BC	Ideographic script used in China, linear B in Crete etc
c. 1150 BC	King David unites Israel and Judah
486 BC	Death of Siddhartha Gautama, founder of Buddhism
480 BC	Battles of Salamis and Plataea, Persian invasion of Greece defeated
329 BC	Alexander the Great reaches the Oxus (India)
262 BC	Asoka, Mauryan emperor (273 BC – 236 BC) converted to Buddhism
49 BC	Julius Caesar conquers Gaul
c. 30 AD	Jesus of Nazareth crucified in Jerusalem
410 AD	Sack of Rome by Visigoths
486 AD	Frankish Kingdom founded by Clovis
c. 600 AD	Apogee of Mayan Civilisation
622 AD	Hegira of Mohammed: beginning of Islamic Calendar
624 AD	China united under Tang dynasty
700 AD	Rise of the kingdom of Ghana
732 AD	Battle of Poitiers
800 AD	Charlemagne crowned Emperor: beginning of Holy Roman Empire
853 AD	First book printed in China
900 AD	Gunpowder in China
c. 900 AD	Expansion of Inca Empire
c. 1000 AD	First Iron Age settlement at Zimbabwe
1325 AD	Rise of Aztecs in Mexico
1445 AD	Johannes Gutenburg (1379 – 1468) prints first book in Europe
1453 AD	Ottoman Turks capture Constantinople
1478 AD	Ivan III, subdues Novgorod and throws off Mongol yoke

1492 AD	Columbus reaches Americas
1493 AD	Treaty of Tordesillas
1498 AD	Vasco da Gama reaches India via Cape of Good Hope
1452–1519 AD	Leonardo da Vinci
1519 AD	Magellan circumnavigates the world
1519 AD	Cortes conquest of Aztec Empire
1521 AD	Martin Luther outlawed
1526 AD	Battle of Panipat. Babur conquers the kingdom of Delhi and founds Mughal dynasty
1532 AD	Pizarro conquest of Inca Empire
1571 AD	Battle of Lepanto
1607 AD	First permanent English settlement in North America, Jamestown Virginia
1609 AD	Beginning of Tokugawa shogunate in Japan
1618 AD	Beginning of the Thirty Years War
1642 AD	English Civil War begins
1644 AD	Manchus found new dynasty (Ch'ing) in China
1645 AD	Tasman circumnavigates Australia and discovers New Zealand
1709 AD	Abraham Darby discovers coke smelting technique
1757 AD	Battle of Plassey: Clive establishes power in India
1775 AD	American Revolution begins
1789 AD	French Revolution begins
1818 AD	Shaka forms Zulu nation
1824 AD	Battle of Ayacucho – Bolivar and San Martin
1835 AD	Great Trek of Boer colonists from Cape leading to establishment of Orange Free State, Natal and Transvaal
1848 AD	Communist Manifesto issues by Marx and Engels
1856 AD	Bessemer process permits mass-production of steel
1857 AD	Indian Mutiny
1861 AD	Outbreak of the American Civil War
1869 AD	Suez Canal opens
1901 AD	Boxer rebellion
1911 AD	Chinese Revolution – Sun Yat-Sen First President
1917 AD	Russian Revolution
1920 AD	Mustafa Kemal (Ataturk) leads Turkish Nationalist Movement
1933 AD	Hitler made Chancellor in Germany
1941 AD	Fall of Singapore
1945 AD	Yalta Conference. Cold War begins
1945 AD	Atomic bomb used on Hiroshima and Nagasaki
1945 AD	Dien Bien Phu defeat of French in Indo China
1947 AD	Independence of India and Pakistan
1949 AD	Communist victory in China
1957 AD	Independence of Ghana
1962 AD	Cuban missile crisis
1967 AD	Third Arab-Israeli War (Six-Day War)
1971 AD	OPEC set up

Framework 3

Framework-3 is used in a comprehensive school in Wales. The head of the history department writes:

"We begin in our course at the school by presenting a brief outline of world history, organised under fifty headings and into groups whose initial letters form mnemonic words which can be easily learned by pupils:

ASCBITA
Ancestor of Man
Stone Ages
City Dwellers
Bronze and Iron Ages
Imperial Chinese Dynasties
Thinkers of the Ancient World
Alexander and Asoka

RODMAN
Romans
Our Lord
Dark Ages
Mohammedans
African Kingdoms
Norsemen

CAMMBORE
Crusaders
Americans before Columbus
Mongols
Medieval Europe
Black Death
Ottoman Turks
Renaissance
Explorers

RASTELP
Reformation
Akbar
Scientific Revolution
Tokugawa Shogunate
English Revolutions
Louis XIV of France
Peter the Great of Russia

SAFILEMMIS
Seven Years War
American War of Independence
French Revolution
Industrialisation
Latin American Independence
Evolution
Marx
Marconi
Imperialism
Sigmund Freud

HERTSAWMONOS
Heavier than Air Flight
Einstein
Russian Revolution
Treaty of Versailles
Stalin
Adolf Hitler
World War II
Mao Tse Tung
Olympics of 1972
Nixon
OPEC
Semi-Conductors

The list is learned by rote, and at the same time, the pupils are taught a small amount of information to go with each item. For example, the Black Death:

'Bubonic Plague, carried by rats, killed off one person in three in Medieval

Europe, and also, in particular, destroyed the prosperity of Haverfordwest. Survivors sometimes did well out of the Black Death: being fewer in number, they were often able to get higher pay, etc.'.

We conclude by offering pupils a 500-word summary of the course, chronologically running together many of the topics covered.

Finally, our orthodox twentieth-century history course also enables valuable insights to be made that contribute to a better understanding of the society we live in. Most pupils study the two World Wars: a portion of this time is spent looking at people from the West Indies and Africa, in particular, those who gave their lives or time for the 'mother country'. This is an unfashionable view for some. It is also an historical reality. We are certainly trying to debunk old myths, but, we hope, not at the expense of creating new ones."

FRANCE

HISTORY (AND GEOGRAPHY): PRIMARY YEARS

APPENDIX 1
ANNEX B

1. Nature of the subject and its objectives

Understanding the present to build the future requires a knowledge of the past.

The need for landmarks, an organised understanding of the world and society as revealed through a small amount of clear and precise knowledge

Knowledge of our heritage, the understanding of our political and cultural inheritance and the discovery of the wealth of our people and country are indispensable for the development of the French citizen. H and G assist in the development in the individual pupil: the national consciousness (or conscience - the word is the same in French) for him to appreciate the contribution of other cultures.

As human and social sciences H and G initiate pupils into a particular mode of rigour and explanation and teach them specific methods of the organisation, interpretation and comparison of forms of knowledge.

2. Instructions (teaching and learning approaches)

The teacher makes pupils capable of observing, describing, comparing and understanding the reality about them and by means of careful and critical analysis of simple documents, past and more distant forms of reality.

He uses stories, audio-visual aids, instruments appropriate to the children's level (chronological frieze, globe, sketches, diagrams, maps etc) and gets them to practise their systematic use.

He makes use of the memory, developing and informing it by showing the meaning and importance of the landmarks the pupil needs to memorise.

In history, chronology, given reality by the use of the frieze, is based on dates allowing pupils to go beyond the events they indicate: they lead to knowledge of the main political, military, technological and cultural changes characterising the periods to be studied.....By means of topics the teacher helps the pupil discover and deepen historical and geographical questions arising from earlier years; the local context in its richness assists that study. The number of these topics is limited to three or four a year, their total duration being no more than 24 hours (for history and geography).

FRANCE

HISTORY (AND GEOGRAPHY): TOP TWO PRIMARY YEARS

3. Syllabuses for the last two years (broadly up to 11); two hours weekly (history and geography)

Systematic study of the main periods of French history in chronological order with brief connecting links, and in the context of European and world developments.

1. prehistory

2. origins of France (Celts, Romans, Franks - (exchange, conflict, fusion)

3. middle ages (lords and peasants, town and contryside)
art and culture (role of the Church and religion) the monarchy and the development of the state

4. changes in the modern world (16-18C)
the main discoveries and opening up of new worlds
religious problems (Reformation, Wars of Religion)
Kings of France and evolution of their powers
Intellectual and artistic movements (Renaissance, Classicism, Enlightenment)
Development of science and technology

5. French Revolution, Napoleonic Europe
Events and principles 1789
Main phases of the Revolution and the advent of the Republic
France and Europe in Napoleon's time

6. France in the 19C
The industrial revolution (technical, economic, demographic, social changes)
The strengthening of the Republic, the progress of democracy: universal suffrage, secular law, education (of boys and girls)
France as a great coloniser and world power

7. France in the 20C
The First World War and its consequences
The Second World War: occupation and liberation; the Resistance
From 1945 to now (IV and V Republics) the conquests of the liberation; reconstruction; decolonisation; the building of Europe; social and economic changes; France as a great technological and cultural power.

1. Nature of the subject and its objectives

The purpose of history (and geography) in the curriculum are to satisfy pupils' curiosity for the world about them; they convey a feeling of solidarity with those who came before them and with their contemporaries.

H. and G. constitute a coherent whole aiming at giving the pupils limited but firm knowledge and methods and skills allowing them to know the world better and to play a responsible role in society.

Awareness of the variety of milieux and civilisations is particularly suited to questioning received ideas, to acquiring a sense of relativity, to developing a critical mind and to recognising the universal in different cultures. The presence of pupils of foreign origin allows for the better presentation of historic or cultural facts.

The teaching of H and G allows pupils to understand the multiplicity of Man's response to the challenges of nature, and creates the conditions for a fruitful dialogue between peoples.

2. Instructions (teaching and learning approaches)

Knowledge of these objectives is the best guarantee against over-ambition. In a confusing world of images pupils learn through H and G to throw light on the present, to distinguish the essential from the incidental, the lasting from the ephemeral. Not all pupils are capable of doing so. In mixed ability classes differentiated teaching is essential which exploits the memory by making full use of the inductive method. Individual and group work also allows pupils to establish a route and make progress according to their capacities.

The need for differentiated teaching implies several levels of analysis in the use of documents (texts, photos, slides, films, diagrams, statistics). The abundance of pictures, the presence of information technology can be used as support resources and as means of furthering knowledge. Only the scheme of work related to the objectives, allows the most appropriate selection of techniques, methods and documents.

In history a chronological framework should be devised using relatively few landmarks which should be well known and significant: striking events and facts. In addition the pupil becomes familiar with historical time: short as regards events and generations, longer for economic cycles and social changes. The teacher insists on putting reality in perspective - locations, societies, economies, techniques, mentalities making up a civilisation. He sets French history in the context of the great civilisations, shows how the national identity has emerged and the continuous nature of French history....[geography].

The notion appearing at the end of the syllabus (see over) allows the teacher to ensure the coherence of th year's work and the understanding of the questions raised.

3. Syllabuses for the first secondary year; 2+1/2 hours weekly (with geography, economics)

The pupils study several great civilisations of Antiquity in the Mediterranean area and in Asia.

Summary presentation of pre-history and its successive civilisations and their experience.

Ancient civilisations of the Mediterranean area:

Egypt
The Hebrews
The civilisation of classical Greece: the main characteristics of Hellenic civilisation
Rome: the Republic; the Empire (Pax Romana); Celtic and Roman Gaul.

Birth and growth of Christianity
The break-up of the Roman Empire

Ancient civilisations of Asia: the main characteristics of the Chinese and Indian civilisations

The notion of civilisation

APPENDIX 1
ANNEX C

HISTORY 5-16 IN THE FR GERMANY

AIMS

1. In the Federal Republic the teaching of history is seen as a major method of educating youngsters to good citizenship and political responsibility. Several curricular documents refer specifically to its furthering international understanding and to its fostering the principles of justice and tolerance. Teaching is required to be politically neutral.

One typical set of guidelines asserts that pupils learn history:

- to develop an historical awareness, starting from personal experience

- to learn the basic skills of historical approach (understanding, explaining

- to build up an understanding of chronology, including an awareness of parallel or dissimilar contemporary developments

- to learn the connection between the interests of pupils and those of historians: school leavers should be able to consider present social and international circumstances in the context of their recent history.

ORGANISATION

2. The organisation of history teaching within the curriculum varies according to Land:

- In Primary school (years 1-4) it is generally subsumed in 'topic' work, though with teaching points suggested, and concentrates on the immediate locality.

- In years 5-6 (ages 10-12) it is rarely listed as a separate subject, and then only for pupils in the Hauptschule. In most Laender it is at this stage a clearly identified component of a social studies course. In these cases it continues to build on pupils' own experience.

- In the remaining years of full-time schooling (years 7-10) history is mainly seen as a clearly identified component of a broader social studies

programme, though a minority of Laender list it as a separate subject. It entails a chronological look at history from prehistoric times to the present day, with a large element of German cultural, economic, politic and social history but much about the rest of Europe and other parts of the world also.

Whatever the organisation, the great majority of pupils have history as such for an average of one period a week in years 5 and 6, and for 1.5-2 periods a week after that: a total of 8-10 week periods by the end of year 9 or 10.

CURRICULAR GUIDELINES

3. Each Land has its own curricular guidelines and there is thus in theory considerable latitude for variation. In practice, all syllabuses cover virtually the same ground by the end of full-time secondary schooling. Cross-curricular references aim to provide a clearer context for history (and other) learning.

TEACHING APPROACHES

4. Guidelines (and observed practice) call for a wide range of teaching approach. They indicate the need to interpret pictorial sources in addition to a close study of texts (in school books or contemporary accounts and documents), chronological listing, use of museums and local archaeological sites, mapwork, statistic narrative to identify with peoples of the period involved. Teachers are required to highlight the relevance of historical events to the present day. Discussion and argument are major features of classroom activity; and the technique of textual analysis, learned in the study of literature, is a strong feature. Assessment takes as much account of oral competence as of written work, and relates to the specific 'units': the timetable suggestions make due allowance.

PROBLEMS INVOLVED

5. Inevitably some problems of teaching history in the Federal Republic are bound up with how to teach about the Nazi era and the consequent cultural discontinuities. The variations in the order of treating topics and the discrepancie in some Laender between the timetables for the various school-types can complicate the life of pupils who choose or have to move school. The breadth of material considered leaves little opportunity to dwell on major issues or phenomena such as 'change' or 'cause', though 'ways in' are always available. An essentially chronological approach leaves little room to address progression of historical skills.

EXAMPLES

(year 6 o

6. The two examples of curricular guidelines are from Baden-Württemberg Hauptsch and have major similarities with those in force in Bavaria for pupils one year younger. They illustrate well the kind of approach and content considered necessa with the less able pupils. Curricula for Realschule and Gymnasium cover the same territory in greater detail, but only starting in year 7. Baden-Württemberg history curricula all end with a résumé of the key dates.

BADEN-WURTTEMBERG - HISTORY - HAUPTSCHULE, YEAR 6 (45 minutes a week)

Theme (suggested number of teaching periods)	Main Content	Teaching suggestions
1. Introduction to study of history (12) **Aims:** access to and interpretation of historical sources; establish importance of archaeological methods, effect of environment on humans	Local evidence and traditions Introduction to local history Local archeological finds	Cp reading legends in German monuments, buildings, reports museum visits.
	Prehistoric man Hunters and gatherers in early Stone Age Settlement patterns Metal technology (workers and traders) spread of the Celts [800 BC]	Sites in the area; establish a chronological list Cave paintings, hunting methods and magic (*contrast with present day methods), and totems Changes of climate, agricultural methods, the village, inventions, local finds/digs
	*Ancient Egypt - importance of the Nile; Pharaoh and State [2500 BC]	
2. Roman Empire (10) **Aim:** learn importance of Roman occupation of the region	Romans in SW Germany Life in Roman provinces, economic and cultural consequences	Rare remains, road networks wine, building, vocabulary
	Roman imperialism - genesis and maintenance political and social circumstances at time of Caesar Augustus [about 0 AD]	Hannibal, Caesar, Battle in the Teutoburg Forest Emperors, Senators, etc administration
	Persecution of the Christians - state religion, papacy	
	Germanic empire on Roman territory Conquests by Alemannic tribes and the Franks in SW Germany [from 260 AD]	Museum, place names
3. Europe and the Mediterranean area (6) **Aim:** learn significance of this era for current European ideal: learn to identify with an alien culture and learn tolerance	Charlemagne; his coronation [800 AD]; his personality and style of government *Decline under his successors	Mapwork Symbols of his power; the Saxon wars
	Mohammed and the Arab world Spread of Islam and Christian resistance	Mohammed, Koran Buildings, science

* These elements can be added if the earlier work is known.

BADEN-WÜRTTEMBERG - HISTORY - HAUPTSCHULE, YEAR 7 (45 minutes a week)

Theme (suggested number of teaching periods)	Main content	Teaching suggestions
1. Way of life and society in the Middle Ages (12) **Aim:** learn differences between then and now	The peasants - life, economy	The farmer's year, agricultural methods, population development, taxes and serfdom
	Knights and nobility - castle life; duties and rights of the nobility	Local castle, coats of arms, family trees, tournaments, education, role to protect the poor
	The monks - life as missionaries and economic, social and cultural significance of monasteries	
	Medieval town and citizens - everyday life, social and political order, trade, architecture and art	Use of pictures, texts, guild documents, market regulations. Mapwork on alliances: Hanseatic and Swabian Leagues; banking, the Fugger family. Cathedrals
2. Royalty, nobility and church in struggle for power (10) **Aim:** learn of struggles between temporal and spiritual authorities; how central power was weakened and the empire split	Basis of fealty	Pyramid of duties and mutual dependence
	German emperors (various!) Battle of Lechfeld [955]	Position of church
	Henry IV and Pope Gregory VII Struggle on investiture of bishops Walk to Canossa [1077]	
	Reign of Barbarossa [1152-1190]	Imperial cities and castles; Crusade
	Rise of Electoral Princes	Splitting up of the empire privileges
	*German settlements in the East	
3. From the Middle Ages to the modern world (6) **Aim:** learn how the period of discovery and inventions led to a new world order - spread of European influence to America etc	Signs of the new age Gutenberg inventions	Gutenberg Bible Gunpowder, shipbuilding and navigation; Behaim's globe, round earth, maps
	Columbus [1492]	Motives for and progress of expedition
	Effects of new age on the conquered peoples. Destruction of native cultures, establishing colonial rule	Aztec etc cultures Pizarro, Cortes Effects in Europe of colonialism

* These elements can be added if the earlier work is known.
[ ] these dates are included in the summary of important dates.

Year 8 (90 minutes a week) covers the Reformation and the 30 years war; Absolutism; French Revolution; Vienna Congress and 1848; industrial revolution; German Empire under Bismark; Imperialism and the First World War

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FROM THE SECRETARY OF STATE

David Norgrove Esq
Private Secretary
10 Downing Street
LONDON
SW1

20 February 1987

Dear David,

FUTURE OF THE POLYTECHNICS

I attach the three detailed papers referred to in paragraph 4 of my Secretary of State's minute to the Prime Minister of February 20. The papers cover:

A - the allocation of powers and responsibilities of the PCFC, the transitional Assets Boards, the institutions and the Secretary of State,

B - the selection of the institutions for transfer to the new sector, and

C - arrangements for determining the pay of academic staff.

I am sending copies of this letter and the attachments to the private secretaries of the Lord President, the Secretaries of State for Wales, the Environment and for Scotland, the Chief Secretary and Sir Robert Armstrong.

Yours sincerely

R L SMITH
Private Secretary

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PAPER A

FUTURE OF THE POLYTECHNICS: THE NEW STRUCTURE

At the meeting on 27 January, the Prime Minister asked for a note outlining the powers and responsibilities of the proposed Polytechnics and Colleges Funding Council. This is set out in Part 1 attached. To place these powers and responsibilities in context, parts 2 and 3 of the note deal in similar fashion with the transitional Assets Board and the institutions. Part 4 sets out the powers of the Secretary of State.

Department of Education and Science

February 1987

THE NEW STRUCTURE: POLYTECHNICS AND COLLEGES FUNDING COUNCIL

COMPOSITION

1. The Polytechnics and Colleges Funding Council (PCFC) will be a corporate body established by legislation. The Chairman and members will be appointed by the Secretary of State. The Council will be small and high powered. Membership will include a substantial proportion of employers, plus leading academics and administrators with a proven track record. There will be no reserved places for local authority councillors or officers.

THE COUNCIL'S TASK

2. The Council's task will be to plan and fund the institutions for which it has responsibility through contracts in such a way that the institutions:

(a) provide education and training which fits students for jobs and for a more fulfilling life;

(b) adjust to changes in student and employer demands;

(c) are rewarded for high academic standards;

(d) develop links with and funding from the private sector, especially local industry and commerce; and

(e) manage themselves effectively and efficiently.

3. The institutions for which the PCFC has responsibility initially will be set out in the legislation. The Secretary of State will have power to determine any subsequent changes. The Council will have the following duties in connection with its task:

i. to act consistently with any guidance or directions given by the Secretary of State;

ii. to consult with employers and students about the direction in which the system might need to change;

iii. with the proposed Universities Funding Council, to encourage cooperation between the universities and the polytechnics and colleges;

iv. to assess the performance of the institutions in its sector and make a report to the Secretary of State from time to time;

v. to provide audited accounts to the Secretary of State and, as may be required by the Secretary of State, to publish reports of its work.

vi. to cooperate with the Polytechnics and Colleges Assets Board (PCAB) - part 2 - while the PCAB is functioning.

POWERS

4. The PCFC will have the following powers:

i. to place contracts with institutions in its sector for the provision of higher education. The contracts will be for a variety of provision, including prescribed numbers of student places, development of new courses and initiatives, research activity etc;

ii. to allocate the funds available for capital expenditure in the institutions; these funds will include any money available from sales of surplus assets by the PCAB - see part 2;

iii. to place contracts with local education authorities for the provision of certain types of higher education in institutions remaining under their control - see paragraph 12 of the part 3 below.

iv. to appoint sub-committees, including a consultative committee with the local authorities to consider questions arising from iii above and on the relationship between higher education in the transferred institutions and that remaining with local authorities;

v. to appoint staff - see paragraph 11 below - and advisors and to buy or rent any resources necessary to undertake the Council's responsibilities.

METHOD OF CALCULATION OF CONTRACTS

5. The PCFC will determine the method of calculation of the sums involved in the contract with each institution, subject to any guidance from the Secretary of State; this method will evolve over time. Initially, contracts will include the cost of providing minimum numbers of student places; the institutions will be encouraged to make contract payments go further by admitting as many students as is consistent with the maintenance of quality. The contracts will be subject to review and institutions will be penalised, in later years, for any serious shortfalls.

6. The PCFC will be required to adapt the system of contracts to encourage successful institutions to expand and the least successful to improve, or if necessary, to grow smaller or close.

FINANCIAL MEMORANDA

7. The financial relationship between the Secretary of State on the one hand and the PCFC on the other will be set out in legislation and in a Financial Memorandum.

8. The financial relationships between the PCFC and the PCAB will be established from their respective financial memoranda with the Secretary of State - see also paragraphs 5-7 of part 2.

9. The financial relations between the PCFC and the individual institutions will be set out in the contracts, supplemented as necessary by financial memoranda approved by the Secretary of State. The contracts and financial memoranda will oblige the institutions

to publish a series of performance indicators that will be developed over time - a possible initial list and a possible eventual list are shown in Annex I to this part of the paper.

ACCOUNTABILITY

10. The Permanent Secretary of the DES will be Accounting Officer for the grant to the PCFC. The chief officer of the PCFC will be Accounting Officer for the administration of those resources. The PCFC will therefore need to satisfy itself that individual institutions have adequate management and audit systems. Since the PCFC will be a body established under statute to carry out public functions, its decisions will be subject to judicial review.

STAFF

11. The PCFC will be responsible for appointing and setting the pay and conditions of its staff, subject to any guidance and directions that the Secretary of State may give them. The senior staff will be recruited on fixed-term contracts or on secondment - from the private sector, including firms of accountants, and from Government departments, the transferred institutions, universities and the Treasurer's and Education departments of local authorities.

INCORPORATION

12. The PCFC will need a Governing Instrument and Articles of Association. The main items to go in the Instrument are listed in Annex II to this part of the paper. The Articles will govern the detailed constitutional framework of the Council, and will be similar to those prescribed for companies by the relevant part of the Companies (Tables A to F) Regulations 1985. The precise terms will need to be settled in consultation with the initial members of the PCFC.

Annex I to Part 1

PERFORMANCE INDICATORS

1. Initial List

i. Teaching and Research

* Cost per full-time equivalent (FTE) student
* staff to student ratios
* provision for industry: number and range of training days provided; research and sponsorship income, including provision of full-cost courses, and their take-up
* evidence of employer satisfaction or dissatisfaction with graduates and full-cost courses
* number of applications per student place
* student wastage rates
* quality of qualifications
* employability of students - eg first occupation within 6 months of qualifying.

ii. Other

* administrative costs per FTE student
* teaching and non-teaching unit costs
* support staff costs (eg technicians and other support costs (eg library and other equipment) per FTE student
* premises costs per FTE student
* income from consultancy, hire of facilities and other trading activity.

2. Later Development

Performance indicators could develop in three directions:

i. extensions of the initial indicators - for example, further analysis of student occupation after 5 years;

ii. application to individual departments and cost centres within institutions;

iii. indicators for further areas; for example

* Analysis of publications/patents/copyrights/business agreements
* rating of quality by visiting committees and external examiners.

* refinement of non- academic support costs per FTE student, identifying for example

  - catering and residence costs
  - sports facilities
  - student union costs.

* teaching staff workload - typical contact hours, administrative responsibilities etc)
* exit qualifications of students measured against entry qualifications

* effective use of space and the estate of the institution.

Annex II to Part 1

MAIN PROVISIONS TO GO IN A GOVERNING INSTRUMENT FOR THE PCFC

1. The name of the body will be "The Polytechnics and Colleges Funding Council".

2. The Registered Office of the PCFC will be situated in England.

3. The objects for which the PCFC is established are:

The promotion of higher education, by:

a. contracting with institutions, in accordance with guidelines set by the Secretary of State for Education and Science, to provide education and training including the development of new courses and initiatives, research activity, etc;

b. promoting education and training in these institutions which is relevant and responsive to the needs of employers - particularly to foster entrepreneurial skills and attitudes;

c. encouraging high academic standards and the efficient and effective use of public funds.

4. In furtherance of these objects, the PCFC will have these powers:

a. to place contracts with institutions in its sector for the provision of higher education courses. The contracts will be for a variety of provision, including prescribed numbers of student places, development of new courses and initiatives, research etc;

b. to establish, as necessary to supplement contracts, financial memoranda with such institutions setting out the financial relationships between the institutions

and the PCFC and the financial management and audit arrangements required as a condition of funding.

c. to require institutions to improve their financial management or audit arrangments where these are not satisfactory;

d. to place contracts with local education authorities for the provision of certain types of higher education in institutions under their control;

e. to appoint sub-committees, including a consultative committee with the local authorities to consider questions arising from d. above and the relationship between higher education in transferred institutions and that remaining with local authorities;

f. to assess the performance of the institutions with which it makes contracts and to report to the Secretary of State for Education and Science from time to time;

g. to assess whether the institutions with which it makes contracts need to adapt to meet changing needs, and to encourage such change by the use of its contract-making powers or otherwise;

h. to exchange information and cooperate with Government departments or agencies, professional bodies, institutions of higher education, validating bodies and others with similar objects or interests;

i. with the proposed Universities Funding Council and other relevant bodies, to encourage cooperation between the universities and polytechnics and colleges;

j. to meet its own costs out of the grant provided to it by the Secretary of State for the polytechnics and colleges, subject to any direction the Secretary of State may give about this;

k. to appoint staff and advisors as necessary, and to make arrangements for their payment and pensions as appropriate;

l. to buy or rent - and dispose of - accommodation, equipment and other resources;

m. to do all other such things as are necessary, incidental or conducive to the attainment of its objects or the further exercise of its powers.

5. The PCFC will not be a Crown body.

THE NEW STRUCTURE: POLYTECHNICS AND COLLEGES ASSETS BOARD

COMPOSITION

1. The Polytechnics and Colleges Assets Board (PCAB) will be a corporate body separate from the PCFC. It will be established for a limited period by legislation. The Chairman and members will be appointed by the Secretary of State. The membership will be very small, including experienced property managers from the private sector, members of the PCFC and academics.

TASK

2. The Board's task will be:

(i) to ensure that charitable trusts or other suitable bodies are established to receive and hold the assets of each of the institutions transferred from local authorities into the new sector; and

(ii) in the meantime, to receive and hold

a. the assets of all institutions transferred from the local authorities without suitable asset holding bodies; and

b. any assets acquired for such institutions before a trust or other asset holding body is established for them.

The Board's task will be for a limited period of 3 years initially, but with the possibility of extension.

3. For the purpose at (i) above, the PCAB will:

(a) provide assistance to institutions to establish suitable bodies;

(b) develop a model Trust Deed in consultation with the institutions and the Charity Commission, to facilitate the creation of trusts.

For the purpose at (ii) above, the PCAB will:

(a) make the assets available to institutions at peppercorn rents;

(b) inform the PCFC and the Secretary of State of any assets which are no longer required by these institutions and dispose of such assets either by transfer to another institution or by sale, taking account of any instructions from the PCFC, subject to the Secretary of State's reserve power of direction;

(c) make available to the PCFC the proceeds from the sale of assets - after deduction of any management expenses (see paragraph 4) - so that they can be reallocated to institutions;

(d) establish a property record for the new sector to be held and subsequently maintained by the PCFC - none exists at present.

POWERS

4. During its period of operation, the PCAB will have powers to:

(a) facilitate the establishment of trusts, to hold assets of individual institutions. This will be subject to the Secretary of State's approval of the Trust Deeds.

(b) hold, buy and sell assets; to act as head lessee for any property held on leasehold; and to meet outstanding debt charges on assets held by it;

(c) rent assets to institutions in the new sector and as landlords, monitor their use and require the institutions to maintain them in reasonable condition;

(d) establish offices, employ staff and advisors, etc and pay honoraria to Board members;

(e) meet its costs out of sums made available to it by the Secretary of State or from the disposal of assets, subject to any directions the Secretary of State may give.

RELATIONSHIP WITH PCFC

5. The PCFC and the PCAB will be separate legal entities. Their tasks mesh together and there will be need for close co-operation. This will be achieved by:

(a) the Secretary of State establishing their respective responsibilities in financial memoranda;

(b) requiring the PCAB to follow instructions from the PCFC on the purchase and sale of assets, subject to the Secretary of State's reserve power of direction;

(c) cross-membership

(d) giving the Secretary of State a reserve power to direct the PCFC and PCAB to act together on specific matters, if necessary;

6. The PCFC will:

(a) allocate between all the institutions in its sector the capital resources available each year, from the PCAB's disposal of assets and from capital sums provided by the Secretary of State;

(b) provide funds for capital as part of its contract to those institutions which already hold their own assets.

For the others, the PCFC will inform the PCAB of the assets it has agreed to fund; provide the PCAB with funds as necessary (out of their general capital grant from the Secretary of State), where the proceeds from the sale of assets are inadequate; and direct the PCAB to acquire the assets and to make them available to the institutions;

(c) instruct the PCAB to dispose of any assets which are surplus in institutions which do not hold their own assets.

7. The PCAB will:

(a) acquire property or equipment and make them available to individual institutions in response to instructions under paragraph 6(b);

(b) transfer or dispose of assets in response to instructions under 6(c);

(c) monitor that institutions to which it has rented property or equipment maintain assets adequately;

(d) inform the PCFC of any institution which fails adequately to maintain assets rented to it. The PCFC will establish the reasons; if the institution does not have good cause, the PCFC will have power to take further action, including the termination of contracts for which the asset was provided and the withdrawal of the asset from the institution;

(e) provide the Secretary of State and the PCFC with a report of its activities from time to time and on the completion of its tasks.

RELATIONSHIP WITH INSTITUTIONS

8. The PCAB will be the landlord to those institutions without suitable vesting bodies to hold assets. The institutions will pay a peppercorn rent and in return will enjoy the use and be responsible for day to day management of the assets. This latter responsibility will be established in rental agreements. The PCAB will monitor how the assets are maintained, and if they are not, the procedures outlined in paragraphs 7(c) and (d) above will be adopted.

9. Institutions will also be responsible for such matters as Health and Safety aspects, other than where responsibility lies with the PCAB as owner under statute.

10. The Board will be empowered to transfer ownership of assets to individual institutions, where it is satisfied that the institution will be able to hold them on suitable trusts. The appointment of the members of such trusts will be subject to the Secretary of State's approval.

11. The PCAB will have no powers in relation to assets in those institutions transferred into the new sector which are already held on trust; namely, the voluntary and direct grant colleges and some of the transferred institutions which are now assisted by local authorities.

RELATIONSHIP WITH THE SECRETARY OF STATE AND ACCOUNTABILITY

12. The Secretary of State will have power to allocate resources to the PCAB to purchase assets for institutions within its remit although normally any capital grant required by the PCAB will be provided through the PCFC. The financial relationship between the Secretary of State on the one hand and the PCAB on the other will be established in a financial memorandum.

13. The Secretary of State will have power to issue general guidance to the PCAB and, if necessary, directions on the PCAB's manner

of purchasing, holding and disposal of assets, and on the costs of its operation.

14. The Permanent Secretary of the DES will be the Accounting Officer for any grant paid by the DES to the PCAB. The chief officer of the PCAB will be the Accounting Officer for the administration of the PCAB's resources. The decisions of the PCAB as a body established by statute performing public duties will be subject to judicial review.

THE NEW STRUCTURE: POWERS OF TRANSFERRED INSTITUTIONS

COMPOSITION

1. The institutions transferred from local government will be corporate bodies, with Instruments and Articles of Government defining their objectives, powers and duties. Each institution will have - or acquire - a trust or other suitable body, to hold its assets.

2. The institutions will each have a Board of Governors, responsible for its management. The Boards will have 20-24 members drawn as follows:

a. 11 representatives of employers and the professions in the area. The initial appointments will be subject to the Secretary of State's approval. Later vacancies will be filled by majority vote of the remaining employer/professions representatives on the Board after consulting relevant interests, including Chambers of Commerce;

b. 3 representatives of local authorities, nominated by the authorities. The nominating authorities would be specified for each institution;

c. 3 (maximum) representatives of the staff, elected by them;

d. 1 representative of students, elected by them;

e. 2 from other interested institutions of education (eg validating or local university, "feeder" colleges and schools) - coopted by vote of the other members of the Board;

f. 3 (maximum) other coopted members (for example, other representatives of the local community or individuals with something special to contribute);

g. the Director, ex officio, to attend and speak - but without voting rights - as Chief Adviser.

TASK

3. The institutions' objectives will be to provide higher education and training that will equip students for successful careers, encourage entrepreneurial attitudes, and where appropriate to carry out applied research. The institutions will be required to ensure that courses meet student and employer demand, and to maintain high standards of education and management.

POWERS

4. The institutions' powers will be:

i. to provide higher and non-advanced further education and applied research, responsive to local, regional and national needs;

ii. to appoint staff;

iii. to make contracts; borrow; sue and be sued; to manage assets and resources; and

iv. -through a trust or other suitable body - to hold assets. For those institutions which do not already have trusts or other suitable body, they will rent assets from the PCAB until one is established; and

v. to undertake other activities related to, or conducive to their objectives: - for example, consultancy; cooperative ventures with industry; related education and training courses purchased at full cost by LEAs, the MSC and employers.

FINANCE

5. The contracts between the PCFC and the institutions will be based on plans prepared annually by the institutions for their future work. The PCFC will consider the plans of all the institutions and draw up contracts accordingly, either for the whole of the institutions' work or for specific courses. Contracts will relate to a variety of provision, including the provision of student places, the development of new courses and initiatives and research activity. Contracts will also provide for penalties, if institutions fail to meet them, to be deducted from later contracts.

6. Transferred institutions will be able to provide non-advanced further education, although local authorities will remain responsible for planning and funding provision in their area. Local authorities will buy in courses by contract.

7. Institutions will also receive income from student fees and other sources, including contracts for providing specialist courses or research for employers etc; income from hiring out facilities or consultancy; running conferences; sponsorship and bequests. Institutions will be expected to develop these sources of income.

8. The financial relations between the institutions and the PCFC will be set out in contracts supplemented as necessary by financial memoranda approved by the Secretary of State. These will govern the general conditions upon which contracts are made including:

* the need to meet agreed targets;
* the necessary financial management and audit arrangements;
* any other information which the PCFC requires;
* satisfactory reports from academic validating agencies;
* efficient use of resources, as measured by performance indicators
* adequate maintenance of any assets rented from the PCAB.

ACCOUNTABILITY

9. The institutions will have substantially greater freedom to manage their day to day affairs than at present. The Boards of Governors will be responsible for the general direction of the institutions, within the framework of the legislation, the Instruments and Articles of Government and the financial memoranda. The Boards will employ staff and settle the terms and conditions of service. In each institution, under the Board's general direction, the Director will be responsible for day to day organisation and management - and an academic board, consisting of the Director and senior academic staff will be responsible for academic purpose and standards.

10. The institutions will be accountable to:

a. the PCFC, and through them to the Secretary of State, for their use of public funds: in terms of quality, relevance and value for money; they will also be accountable to the PCFC for the maintenance of any assets rented from the PCAB;

b. to other bodies who contract with them for their use of other funds;

c. to the CNAA/validating universities/BTEC for the academic standard of qualifications.

d. to the Secretary of State for their general conduct; for the Secretary of State's powers, see paragraph 2.i.a of part 4.

11. The institutions will remain subject to inspection and report by Her Majesty's Inspectorate.

HIGHER EDUCATION IN REMAINING LEA INSTITUTIONS

12. Local authority institutions not to be transferred to the PCFC at present provide about 20% of higher education including

a small amount of degree work. These institutions will remain, as now, wholly maintained by the local authority.

13. The PCFC will place contracts with the authorities for the education of specified numbers of students studying for degrees and full-time Higher National Diplomas, Diplomas of Higher Education, any Postgraduate Certificates of Education and equivalent courses.

14. The remaining higher education courses in these institutions - mainly part-time sub-degree work - are primarily local in orientation. Individual local authorities will be responsible for planning and funding such courses from their own resources.

Part 4

THE NEW STRUCTURE: POWERS OF THE SECRETARY OF STATE

TASK

1. The Secretary of State has a general duty under the Education Act 1944 to "promote the education of the people of England and the progressive development of institutions devoted to that purpose". The running of the institutions will rest with the Boards of Governors (Part 3). The ownership of the assets of the institutions will rest with local trustees - or initially, if no trust has been established, with the PCAB (Part 2) - and the allocation of resources, and related matters, with the PCFC (Part 1). But the Secretary of State will retain a number of general powers and responsibilities.

POWERS

2. The legislation will give the Secretary of State these powers:-

i. in respect of the institutions:-

a. in replacement of the Secretary of State's existing reserve powers and those of the commissioners for local administration, overseeing their general conduct, with power to intervene and issue directions in cases of improper conduct;

b. approving Trust Deeds, Instruments and Articles of Government, including subsequent amendments; and power to initiate and require changes in Instruments and Articles where necessary;

c. approving the initial employer nominations to Boards of Governors and the identity of the local authorities with power to nominate to individual Boards of Governors (see paragraph 2 of part 3); and

d. taking decisions on the closure of any institution. If the Governors refuse to implement such decisions in an orderly manner, or resign, the Secretary of State will have reserve powers to assume their powers and implement closure through agents or commissioners;

e. reviewing the remaining LEA institutions from time to time and transferring to the PCFC sector any which satisfy the criteria for selection;

ii. in respect of the PCFC:

a. appointing the Chairman and members of the Council, determining their periods of office, and any salaries or honoraria payable. The PCFC will be responsible for appointing and paying its staff but the choice of chief officer will be subject to the Secretary of State's approval;

b. determining each year the overall level of resources available for polytechnics and colleges;

c. providing the PCFC with grant, under the terms of a financial memorandum and any specific conditions - for example, earmarking some for particular purposes;

d. issuing <u>general guidance</u> on any matter;

e. issuing <u>directions</u> (this is a reserve power to be sparingly used);

f. setting individual course entry targets for initial teaching training (ITT) at individual institutions. The PCFC will then reflect these targets in its contract payments. This power continues an existing provision and reflects the Secretary of State's wider statutory responsibilities for ITT. In setting targets, the Secretary of State will take account

of advice from the PCFC - unless this could not be done within the necessary timetable - but he will not be obliged to accept their advice;

g. requiring the PCFC to give advice on any proposals to close an institution. The PCFC will also be obliged to inform the Secretary of State of any revision of contract that might bring about the closure of an institution.

iii. in respect of the PCAB:

a. appointing the Chairman and members, determining any salaries or honoraria payable. The PCAB will be formally responsible for appointing and paying its staff, but the choice of chief officer will be subject to the Secretary of State's approval;

b. providing the PCAB with grant, if necessary, under the terms of a financial memorandum and any specific conditions;

c. issuing general guidance and directions as necessary (the latter a reserve power to be sparingly used).

PAPER B

FUTURE OF THE POLYTECHNICS: TRANSFER OF INSTITUTIONS FROM LOCAL AUTHORITIES - FURTHER CONSIDERATION OF THEIR SELECTION

1. At the Prime Minister's meeting on 27 January, it was agreed that the criterion that all institutions with more than 55% higher education should be transferred to the new sector offered an acceptable way forward. However, there was concern:-

(a) that the case for transferring the voluntary and other existing direct grant colleges had not been decisively established;

(b) that the PCFC would be expected to deal with a number of very small institutions; and

(c) that the transfer of institutions might need to be phased to give the PCFC time to establish itself.

This paper considers these issues.

Voluntary and Direct Grant Colleges

2. The DES funds directly 27 colleges substantially involved in higher education ranging in size from Goldsmiths' (3000+ full-time equivalent higher education students) to Shuttleworth College of Agriculture (136). Over half of these are voluntary colleges provided by the main Churches. All except Cranfield are proposed for inclusion in the new sector. Planning and funding advice for most of them has been devolved in the last three years to NAB. DES sets the overall level of resources available through the annual public expenditure round, pays the grant and is accountable to Parliament for the expenditure by individual colleges.

3. The higher education courses offered by these colleges are often identical to those provided in the local authority colleges, although there is a higher proportion of degree-level work. The great bulk of courses therefore need to be planned together with those in the colleges transferred from local government. The DES does not have the manpower resources or expertise to attempt to plan all the academic provision of these institutions separately.

4. In theory, the PCFC could be given responsibility for planning the academic provision in the voluntary and direct grant colleges while DES continued to pay them grant. There are in practice several objections to this:

(i) divided responsibilities would lead to conflict between the planner and the paymaster and make rationalisation more difficult;

(ii) the current direct funding relationship between DES and the colleges is almost as much a source of irritation as is local authority control to the polytechnics and would be even harder to defend after transfer of the polytechnics and others;

(iii) direct funding imposes a disproportionate burden on DES's staffing;

(iv) direct funding means that Ministers get involved to an uncomfortable degree in detailed issues in individual colleges.

5. The Churches will have a voice on the PCFC but will no doubt continue to expect to have the opportunity to make representations direct to Ministers if they feel that their interests are threatened. There is no difficulty about reassuring them on this - just as at present they have access to Ministers on planning matters within NAB's remit so they could make representations on the PCFC's planning and funding decisions. There would be advantages to Ministers if the PCFC provided a first line defence in dealing with the Churches.

6. The inclusion of the 26 institutions will add to the PCFC's task. But the institutions are already independent and self-governing and have long experience of managing their own affairs with accountability to a central body (hitherto DES). In these respects their transfer should require less attention than the transferred local authority colleges. The advantages of including the 26 institutions are better overall management of the polytechnic-college sector, stimulus to stronger internal management of the colleges themselves from being subject to the same efficiency requirements as other colleges and removal from DES of detailed involvement in their financial and academic affairs.

Small Institutions

7. 23 of the 67 institutions currently under LEA control which meet the 55% higher education criterion have under 1000 higher education students - see Annex I for details.

The 17 voluntary and direct grant colleges which have under 1000 HE students are also listed in the Annex for comparison. Most concentrate heavily on degree work or equivalent courses often in specialist areas; a number provide initial teacher training. There is a strong case on the general grounds identified above, in relation to the voluntary and direct grant colleges, for including them in the new sector. However:

(i) are they viable as free-standing colleges; and

(ii) will their inclusion do more good than harm?

8. On viability, the voluntary and direct grant colleges have demonstrated that relatively small institutions can be free-standing. Similar institutions currently controlled by local authorities should be able to perform as least as well. However, nearly all the voluntary and direct grant colleges have 300 students or more. Their performance may not therefore be a sound indicator for local authority colleges below this size. Some such, including those which have corporate status, and so a degree of independence already, may be viable; others, particularly the Kent College for the Careers Service with only 5 staff, may not.

9. Nearly all the institutions in Annex I are totally or predominantly engaged in types of work which, if they remained with local government, would be purchased from them by the PCFC: so from the PCFC's point of view it should make little difference to its ongoing workload whether these institutions are transferred or not. Nor is the aim of achieving rationalisation decisive in determining where the line should best be drawn. In some cases, amalgamation would be promoted if these small institutions were transferred, so that all would be in the new sector. But in other cases - the London Institute mergers and the Norwich School of Art - the other colleges concerned will be outside the sector in any case, and prospects will be better if transfer does not take place.

10. The preceding paragraphs suggest that a degree of flexibility may be desirable for the very small colleges. A category of "very small" can reasonably be defined by looking at the voluntary and direct grant colleges, nearly all of which have over 350 higher education students. That figure provides a reasonably clear cut-off point between the very smallest local authority colleges listed in Annex 1 and the rest. There are four firm options:

(i) straight transfer of all institutions with more than 55% higher education to the new sector, as proposed in the papers for the meeting on 27 January 1987;

(ii) exclusion from the new sector of all institutions not already direct-grant-funded with under 350 students;

(iii) opting out: the legislation would provide for the transfer of all the institutions with more than 55% HE, but allow an institution with fewer than 350 students and its local authority jointly to seek the Secretary of State's agreement to the institution remaining with the local authority;

(iv) opting in: the legislation would require the transfer of all the institutions with more than 55% HE and more than 350 FTE higher education students. But it would allow institutions with more than 55% HE and fewer than 350 to opt into the new sector if they, in the case of those with corporate status, or their local authority, for the others, agreed.

11. Options (iii) and (iv) may increase the risk of hybridity. But both seem worth consideration. As between them, the effects might be the same, but there is a presentational difference. The "opting in" alternative would be more attractive to the local authorities and would not require the involvement of the Secretary of State in individual cases. It therefore seems the better of the two. The effect of either option (iii) or (iv) would be that 57 of the 68 local authority institutions with over 55% higher education would automatically transfer; the 11 smallest would only transfer if they or their local authority choose to do so. The 26 voluntary and direct grant colleges originally suggested for placing with the PCFC, including the two with under 350 students, would in any case come within its scope.

Phasing

12. In theory, the PCFC could assume its powers in a number of stages, embracing various possible combinations of:

* the polytechnics and other large institutions;

* the smaller institutions currently under local authority control;

* the smaller voluntary and direct grant colleges;

* the work in colleges remaining in local authority hands.

13. The PCFC may have its work cut out establishing itself and overseeing the transition of the colleges into free-standing bodies. Phasing could reduce some of the initial pressure. But there are serious drawbacks:

(a) central planning would be difficult in the interim period. The PCFC would only have a partial remit, and those institutions awaiting transfer and the remaining LEA institutions would be in a limbo. DES has neither the manpower nor the expertise to plan their work. In theory, the National Advisory Body could be retained in some form to provide coordination, but this would be a recipe for conflict even assuming the local authorities were willing in principle to cooperate.

(b) local authorities are at best unlikely to give much attention to institutions awaiting transfer and some might be tempted to starve them of resources. There would inevitably be an air of blight over the institutions, affecting morale and quality of work;

(c) the institutions selected for later transfer would be seen as second class. They - particularly the smaller voluntary colleges - might well lose enthusiasm for coming into the new sector. This could be crucial if they, and particularly the Churches, become active opponents during the passage of the legislation.

14. The drawbacks of phasing seem more serious than any difficulties the PCFC might have in assimilating all the institutions in one go. It is therefore recommended that the implementation of the new sector is not phased.

Summary

15. This paper recommends:

(a) the inclusion of the voluntary and direct grant colleges in the new sector (paragraphs 2-6);

(b) a modification of the criterion for selecting those LEA institutions to come into the new sector. The revised criterion is:

"institutions with more than 55% higher education and more than 350 FTE higher education students".

The 11 institutions with more than 55% higher education but under 350 students currently under LEA control could opt into the new sector (paragraphs 7-11);

(c) all the institutions concerned should transfer on one vesting date (paragraphs 12-14).

Department of Education and Science
February 1987

ANNEX I
TO PAPER B

Institutions with more than 55% HE but under 1,000 FTE HE students

a) LEA institutions

HE Students (FTE)		Comments
46	Kent College for the Careers Service	
127	Falmouth SA	
170	Rose Bruford	possible merger with London Inst (not proposed for transfer)
229	Winchester SA	part of S Hants Art Consortium (part in and out of transfer)
236	Norwich SA	associated with college remaining with LEA
244	CSSD	possible merger with London Inst
250	Cambourne Schools of Mines	corporate status
255	Wimbledon SA	
279	Dartington	corporate status
307	Writtle Ag	possible merger with Essex IHE
316	Exeter CAD	possible merger with Plymouth Poly
400	Loughborough CAD	
407	Ravensbourne CDC	
437	Charlotte Mason	
476	RNCM	
544	W Surrey CAD	
578	Garnett	possible merger with Thames Poly
586	W Midlands	possible merger with Wolverhampton Poly
658	N Riding	
797	Bretton Hall	
840	Rolle	possible merger with Plymouth Poly
889	Kent Art Inst	in process of merger
913	SW London	

b) Voluntary and direct grant colleges

136	Shuttleworth College of Ag	
157	Inst of Advanced Nursing Education RCN	
380	Trinity College of Music	
405	Homerton	
425	Newman	
436	Bishop Grosseteste	
514	Westhill	
526	Royal Academy of Music	
552	Royal College of Art	
573	Royal College of Music	
586	Seale Hayne College of Ag	Merging with Plymouth Poly
596	Harper Adams College of Ag	
636	Westminster	
673	La Sainte Union	
776	St Mark and St John	
890	St Martins	
990	Christ Church	

FUTURE OF THE POLYTECHNICS: ARRANGEMENTS FOR DETERMINING THE PAY OF ACADEMIC STAFF

Background

1. The new higher education sector will cover the polytechnics, certain other colleges transferred from local government and existing direct grant institutions. All will be financed under contracts by direct grant from government. There will be few other sources of finance, though some of the larger institutions will be able to raise finance from external sources for research and other activities - perhaps amounting to 5% of total income. All institutions within the new sector will have more than 55% of higher education work. The non-advanced element will be some 5-10% overall, though varying a great deal from institution to institution; it will be financed by LEAs buying provision to meet their own needs. Neither of these other sources of finance will make a significant reduction in the extent to which the new sector will be dependent on Government for financing their main staff pay bill.

2. Of the direct grant made available by the Government about two-thirds will be spent on pay - about one half on academic pay. The closest parallel is with the university sector, where again the Government is the major source of funds, and where the Government currently has a direct involvement in pay determination for academic staff. It is unlike the local authority sector, even the education service within that sector, in that RSG is not hypothecated and local authorities are free to increase revenue from rating, within limits set by wider local authority financing arrangements. The Croham Committee has recommended a new look at arrangements for determining university academic pay. There may eventually evolve similar arrangements for both universities and this new sector.

Transition

3. The Teachers' Pay and Conditions Bill now before Parliament provides for the pay and conditions of teachers in local authority further education (both higher education and non-advanced further education) to be settled in a manner agreed between the teachers and their employers, thus removing the small element of existing direct Government participation. It is reasonable to assume that when the Teachers' Pay and Conditions Act comes into force the employers and the teachers will agree that something like the present informal National Joint Council for Further Education (NJC) will continue to be the effective forum for consideration of these matters.

4. When the new higher education sector is set up we would expect something like the present pay structure and conditions of service to carry across in the first instance, with merely a legal change in the employer. The direct grant colleges currently observe local authority further education pay and conditions as a condition of grant. There is a theoretical possibility that, in the period before the legislation is enacted, the local authority employers and the teachers' unions might decide to bounce through a large settlement. Realistically, there is no way of preventing them from doing this - retrospective legislation is not an attractive option. However, present experience on the schools side suggests that the local authority employers are unlikely to do this. Unless it could be confined to higher education it would be financially costly for them, since the bulk of FE lecturers will continue in local authority employment, providing NAFE. It would be seen as an irresponsible action and inconsistent with their expected efforts to defeat the Government's plan to transfer the polytechnics. Moreover, there is no reason why the local authority employers would want to be over-generous to polytechnic lecturers.

Objectives of the Pay Structure

5. The Government has a number of objectives. It wants a good educational service to be provided by the grant-aided institutions at minimum cost, quite possibly below the cost which the institutions and perhaps also the PCFC will think right. It wants conditions of service which promote cost-effective provision and pay structures with appropriate differentials which support effective management. It wants arrangements which deliver acceptable pay and conditions settlements without disruption.

6. The Secretary of State could influence these matters in two main ways. The first would be through his control of grant for the sector and his ability to attach conditions to grant. The second would be by playing a direct part in negotiations. There are thus two main approaches for the Government in relation to the negotiating arrangements:

A. to leave the negotiations to the employers and the unions, and to rely on control of the grant quantum, buttressed as necessary by conditions attaching to grant, as a means of influencing outcomes;

B. to become directly involved in the determination of pay and conditions of employment.

Approach A

7. There are in theory many possible variants, but there are nevertheless two main

options to consider: a structure of local, institution-based, negotiations, and national collective bargaining.

8. Local negotiations would have certain advantages. Both sides would be able to bargain in the full awareness of the particular needs of that institution and the characteristics of the local labour market. They would not be constrained by national pay structures and conditions of service which may prevent the provision of a flexible and efficient service. They could be argued in principle to provide a better opportunity for local management truly to manage.

9. Local negotiations would also have disadvantages. They would be time-consuming. Institutions would have to equip themselves with competent negotiators: union representatives would be nationally coordinated. Institutions which were, for whatever reason, less well resourced could have difficulty in achieving pay rates which would retain staff of adequate quality. An employment framework which varied from institution to institution might reduce mobility of workforce to an undesirable extent. The apparently attractive analogy with an independent school becomes less so on closer inspection. Independent schools determine their own pay scales but they have national - Burnham - pay scales as a background against which to work. It would be quite a different matter for a single institution to attempt to determine its own pay scales in the absence of such national background. That must be rare, even in the private sector.

10. For non-academic staff pay may in practice usually be determined by analogy with the pay of comparable local authority employees, as is now the case in the universities.

11. Logic and most recent history in pay bargaining strongly suggest that in practice voluntary collective bargaining on a national basis will continue to operate if the system is free to devise its own arrangements. It is hard to see how the polytechnic employers could be prevented from joining together to take part in this process. Whether or not the polytechnics and the colleges would work together may be a more open question; but the polytechnics account for two-thirds of the staff involved, and the colleges, many of which are small, would carry little weight. The precise nature of the management side in such negotiations cannot yet be discerned. There are of course potential parallels with the University Grants Committee and the Committee of Vice-Chancellors and Principals. In a national voluntary framework it is to be expected that the task would fall to the equivalent of the latter body, perhaps based on the existing Committee of Directors of Polytechnics.

12. National collective bargaining need not mean that the institutions would have particular difficulty in operating practices sufficiently flexible to recruit and retain

the right staff. There are various weapons in a good management's armoury - for example, the use of a higher grade post to attract a teacher of a shortage subject; or the use of a top-up bursary from industry to retain a particularly valuable member of staff. National agreements can still leave useful scope for local discretion.

13. Proposals for the new sector which made no prescription about the pay determination process would be unwelcome to the APT. They would press for negotiating rights of minority unions to be guaranteed by legislation. It would in principle be possible to prescribe in the proposed legislation that a union with more than, say, 5% of staff within the relevant staff group within the institution or groups of institutions concerned, should have a reasonable right of participation in any negotiating process but such an arrangement would not be likely to be watertight in practice. The National Association of Teachers in Further and Higher Education (NATFHE) have proved adept at sidestepping the requirements of Burnham. But a minority union would be free to press its case in the courts if legal rights to participate were denied.

14. Under this approach the Government would be likely to come under pressure, at least from time to time, to "negotiate" with employers and unions, particularly if additional grant was needed to finance a preferred deal. Control of grant would bear heavily on the level of pay settlements, and conditions of grant might be used selectively to prevent particular outcomes from the negotiating process. For example, it might be a general condition of grant that institutions should not grant tenure or make no-redundancy agreements with their staff. A proportion of future grant could be offered conditionally on a preferred outcome eg a pay structure of some particular kind - as this year in the case of the universities. So although the Secretary of State would not have a direct role in the negotiating process or any formal power of override there would remain significant influence for the Government.

Approach B

15. Some models can be discounted. It would not make sense - at least at the outset - to rely on an advisory committee like that now being put into place for school teachers, given the continuance of free collective bargaining for NAFE and the present shape of comparable university machinery. Nor is it likely that a Committee A/B arrangement, as now exists for the universities on a voluntary basis, would be agreed. This arrangement is currently under considerable strain in the university sector, the Croham Committee has recommended a review, and while - because it exists - it may survive a little longer, it does not command enough support to lead to replication.

16. The most promising possibility within approach B would be a single negotiating body with DES participation. For this to represent a significant difference of approach

as compared with reliance on indirect financial levers, full membership with substantial voting strength would be needed. The arrangement need not be statutory, and the question of Parliamentary override need not arise. In its strongest form, this model might approach NHS arrangements for their non-review body groups - a management side of 8-10 people appointed from Health Authority Management by the Secretary of State after consultation with Regional Health Authority chairmen, DHSS membership and de facto veto, and DHSS secretariat. The PCFC would correspond to the Regional Health Authorities, and PCFC and DES officials would work side by side under the direction of the Secretary of State.

Conclusion

17. There seem to be no significant advantages in Approach B. It would involve the Secretary of State directly in negotiations every time, it would tend to diminish institutional responsibility for management, and it would be seen as implying national pay scales. Approach A would explicitly permit institutional bargaining and to that extent make some local decision-making more likely; it would emphasise the management responsibilities of the institutions; and as paymaster the Secretary of State could choose to exert a strong influence on the negotiations as and when that seemed necessary by attaching conditions to funding.

18. It is therefore recommended that Approach A should be adopted. Once the PCFC is established there should be discussions with them and the institutions on how pay and other conditions of service should be determined, and how the proper exercise of management responsibilities at the institutional level should be promoted.

Department of Education and Science
February 1987

CS


PM
20 11

CF file: Polytechnics

Identical Letters sent to:

Mr. Malcolm Pearson

Professor K.J. Durrands

Dr. Malcolm Frazer

Please note that

Dr. Rickett's name is

without an 's'

10 DOWNING STREET
LONDON SW1A 2AA

20 February 1987

Dear Dr. Rickett,

I am writing to confirm our recent telephone conversation regarding the meeting at 10 Downing Street on Wednesday, 25 February.

Could you please arrive at No. 10 by 1730 hours. The meeting will probably last for a couple of hours.

Yours sincerely

Susan Goodchild

Dr. Raymond Rickett, CBE

POLYTECHNICS MEETING

WEDNESDAY 25 FEBRUARY at 1730 HOURS

Those attending are:

S/S Education
Ld. President
S/S Wales
S/S Scotland
Chief Secretary
S/Environment
Mr. Walden
Mr. Unwin
Sir D. Hancock
Mr. Bird
Mr. K. Ennals
Mr. J. Anson
Mr. J. A. Scott (Secretary of the Scottish Education Development Council).

T.G.
20.2.87

10 DOWNING STREET

MR. NORGROVE

You agreed to ring Professor Durrands this afternoon after 1400 hours. His number is 0484-22288

Note

Spoke to all four to give them a rough idea of the agenda.

Tessa

T.G.

20.2.87

DRN
20/2

CF for your file.

10 DOWNING STREET

MR. NORGROVE

Meeting on Wednesday, 25 Feb.

Dr. Malcolm Frazer of CNAA can attend the meeting on 25 February at 1730 hours.

Sue

19 February 1987

10 DOWNING STREET

MR. NORGROVE

Meeting on 25 February

Mr. Pearson and Dr. Ricketts can attend the meeting on 25 Feb. Professor Durrands and Dr. Frazer will confirm by tomorrow morning.

Sue Goodchild

19 February 1987

Meeting on Wednesday, 25 February (1730 to 1930) to discuss Polytechnics and their role and position

Malcolm Pearson, Esq.,
Pearson, Webb & Springett Ltd.,
Flat 7,
36 Rutland Gate
SW7 584 4227

Dr. Ray Ricketts
Rector,
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Cockfosters Road,
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Professor K.J. Durrands
Rector,
Huddersfield Polytechnic
Queensgate,
Huddersfield
HT1 3DH 0484 22288

Dr. Malcolm Frazer
Council for National Academic Awards
344-354 Grays Inn Road
London,
WC1X 8BP 278 4411

10 DOWNING STREET

Ra NORTHROVE

An interesting poll taken in December on education

14/2

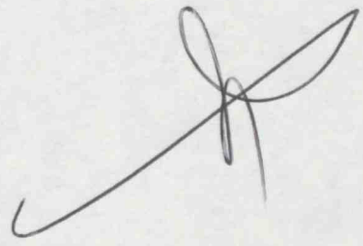
Prime Minister

The Government's perceptions are clearly shared very widely.

17/2

Private and Confidential

None of the contents of this
report may be published
without our written consent



GALLUP POLITICAL INDEX

Report No. 316

December 1986

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GALLUP POLITICAL INDEX

Report No. 316

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Table 2 : Government's record;

		COMPARISONS					
						Range since June 1983 General Election*	
	Today	Nov	Oct	Sept	One year ago Dec 1985	High	Low
1 Do you approve or disapprove of the Government's record to date?							
Approve	34	36	33	30.	34	47	23
Disapprove	51	52	56	56	52	65	42
Don't know	16	12	11	14	12	15	9

*Excluding current results

(10-15.12.86)

Table 3 : Urgent problem;

1 What would you say is the most urgent problem facing the country at the present time?

	Today	Nov 1986
Unemployment	70	74
Defence	7	3
Health	4	3
Law and order	3	5
Education	2	2
Cost of living	2	2
Other	10	10
Don't know	2	2

2 And what would you say is the next most urgent problem? (Includes top problem)

	Today	Nov 1986
Unemployment	82	84
Defence	25	14
Health	17	17
Law and order	9	14
Education	9	11
Cost of living	8	7
Housing	6	10
Pensions	5	5
Other economic	4	5
Immigrants	3	3
Other	16	18

(10-15.12.86)

Table 6 : Government efficacy; government policies

1 Some people say that British governments nowadays - of whichever party - can actually do very little to change things. Others say they can do quite a bit. Do you think that British governments nowadays can do very little or quite a bit ...

	Sept 1986			Today		
	Very little	Quite a bit	Don't know	Very little	Quite a bit	Don't know
a) to keep prices down	33	62	5	36	60	4
b) to reduce unemployment	28	66	6	33	63	4
c) to reduce taxes	27	69	5	27	67	7
d) to improve the general standard of living	24	71	5	22	73	4
e) to improve the health and social services	13	85	3	13	84	3
f) to control wages and salary increases	30	61	9	32	61	7
g) to reduce crime	29	66	6	38	53	8
h) to prevent strikes	35	56	9	36	58	6

2 Do you think the government should or should not do each of the following things, or doesn't it matter either way ...

	September 1986				Today			
	Should	Should not	Doesn't matter	Don't know	Should	Should not	Doesn't matter	Don't know
a) get rid of private education in Britain	18	57	18	6	20	58	19	3
b) spend more money to get rid of poverty	85	7	5	3	89	6	2	3
c) increase the standard of living of pensioners	89	5	3	3	92	5	2	2
d) encourage the growth of private medicine	35	48	9	8	36	49	10	5
e) put more money into the National Health Service	91	5	2	2	93	4	1	1

(10-15.12.86)

Table 7 : The British economy

1 How would you describe Britain's economic health at the present time? Would you say that it is very good, fairly good, fairly poor, or very poor?

	Today	Mar 1985
Very good	1	3
Fairly good	41	35
Fairly poor	34	39
Very poor	18	19
Don't know	5	3

2 Do you think that the general economic situation in Britain over the next year is likely to get much better, somewhat better, remain about the same, get somewhat worse, or much worse?

	Today	Mar 1985
Much better	0	1
Somewhat better	21	23
Remain the same	48	40
Somewhat worse	20	25
Much worse	6	7
Don't know	5	4

(19-24.11.86)

(21-25.11.86)

Table 8 : Wage/price expectations

1 Over the next 12 months what, if any, percentage increase do you expect to get in your wages or salary?

	Today	Nov 1986
Nil	17	16
1 or 2	8	5
3 or 4	17	18
5 or 6	27	27
7 or 8	4	6
9 or 10	4	5
11 or 12	1	2
13 or 14	0	0
15-20	2	1
Over 20	2	2
Don't know	19	20
Average	4.6	4.8

2 Bearing in mind the present economic situation, inflation and unemployment, what level of wage or salary increases do you think workers should aim for?

	Today	Nov 1986
Nil	2	2
1 or 2	1	1
3 or 4	10	9
5 or 6	28	26
7 or 8	15	13
9 or 10	15	20
11 or 12	2	2
13 or 14	1	1
15-20	3	4
Over 20	3	2
Don't know	20	21
Average	7.7	7.7

3 Over the next twelve months, what percentage increase in prices do you expect?

	Today	Nov 1986
Nil	2	2
1 or 2	8	9
3 or 4	26	21
5 or 6	27	26
7 or 8	7	9
9 or 10	6	7
11 or 12	1	1
13 or 14	0	0
15-20	1	2
Over 20	1	1
Don't know	20	22
Average	5.3	5.5

(Based on employed people only)

(5-9.12.86)

Table 9 : Consumer Confidence

1 How do you think the general economic situation in this country has changed over the last 12 months?

	Today	Nov 1986
Got a lot better	2	3
Got a little better	19	22
Stayed the same	27	25
Got a little worse	24	25
Got a lot worse	23	23
Don't know	5	3

2 How do you think the general economic situation in this country will develop over the next 12 months?

	Today	Nov 1986
Get a lot better	2	3
Get a little better	24	26
Stay the same	32	31
Get a little worse	20	22
Get a lot worse	12	10
Don't know	10	9

3 By comparison with what is happening now, do you think that in the next 12 months:

	Today	Nov 1986
There will be a more rapid increase in prices	21	20
Prices will increase at the same rate	46	43
Prices will increase at a slower rate	14	19
Prices will be stable	13	14
Prices will fall slightly	1	1
Don't know	5	3

4 How does the financial situation of your household now compare with what it was 12 months ago:

	Today	Nov 1986
Got a lot better	6	6
Got a little better	16	17
Stayed the same	38	41
Got a little worse	26	23
Got a lot worse	12	11
Don't know	2	2

5 How do you think the financial situation of your household will change over the next 12 months?

	Today	Nov 1986
Get a lot better	3	4
Get a little better	20	20
Stay the same	50	49
Get a little worse	17	16
Get a lot worse	5	6
Don't know	5	6

6 Do you think that there is an advantage for people to make major purchases (furniture, washing machines, TV set, etc.) at the present time?

	Today	Nov 1986
Yes, now is the right time	39	40
It is neither the right time nor the wrong time	22	23
No, it is the wrong time. The purchase should be postponed	26	24
Don't know	13	13

7 Which of these statements best describes the present financial situation of your household?

	Today	Nov 1986
We are running into debt	4	3
We are having to draw on our savings	10	9
We are just managing to make ends meet on our income	47	48
We are saving a little	33	34
We are saving a lot	3	4
Don't know	2	2

(5-16.12.86)

Table 9 : Consumer Confidence (contd)

8 How do you think the level of unemployment (I mean the number of people out of work) in the country as a whole, will change over the next 12 months? Will it:

	Today	Nov 1986
Increase sharply	13	11
Increase slightly	39	36
Remain the same	28	30
Fall slightly	17	17
Fall sharply	1	1
Don't know	3	4

9 Compared to what it was 12 months ago, do you think the cost of living is now:

	Today	Nov 1986
Very much higher	12	12
Quite a bit higher	27	24
A little higher	42	42
About the same	16	19
Lower	1	2
Don't know	2	1

10 Over the next 12 months how do you think the amount of money you or any member of your household will spend on major purchases (furniture, washing machine, TV set, etc) will compare with what you spent over the last 12 months? Will it be:

	Today	Nov 1986
Much more	9	9
A little more	12	14
About the same	40	39
A little less	12	13
Much less	20	19
Don't know	7	6

11 Over the next 12 months how likely are you, or any member of your household, to be able to save any money?

	Today	Nov 1986
Very likely	14	17
Fairly likely	32	33
Fairly unlikely	18	17
Very unlikely	32	31
Don't know	4	3

12 In view of the general economic situation, do you think this is a:

	Today	Nov 1986
A very good time to save	23	23
Quite a good time to save	34	36
Rather an unfavourable time to save	20	21
A very unfavourable time to save	11	9
Don't know	12	12

(5-16.12.86)

Table 10 : Education

1 When did you last speak to your children's teacher about their progress?*

	Today	Nov 1985
Within last 7 days	12	13
Over 7 days up to 2 weeks ago	13	7
" 2 weeks up to 4 weeks ago	21	16
" 1 month up to 3 months ago	20	13
" 3 months " " 6 " "	9	16
" 6 months " " 9 " "	3	8
" 9 months " " 1 year ago	4	8
Longer ago	11	9
Never	6	11

2 On the whole, would you say that children today are getting a better education than your generation did, or not?

	Today	June 1984
Are getting a better education	42	45
Are getting about the same education	15	14
Are not getting as good an education	37	34
Don't know	6	7

3 On the whole, are you satisfied or dissatisfied with the education they are getting?*

	Today	Nov 1985
Satisfied	63	52
Dissatisfied	31	41
Undecided	6	7

4 How important do you think it is that parents have a say in the running of their children's school, by means of the governing body?

	Today	June 1984
Very important	35	34
Quite important	30	45
Not very important	9	12
Not at all important	3	4
Don't know	3	5

5 In which of the following types of state school system do you think a child is most likely to get the best all-round education?

	Today	June 1984
Comprehensive school system	37	32
Grammar/secondary modern school system	51	57
Don't know	12	11

6 In which of the following types of state school system do you think a child is most likely to get the best examination results of which he or she is capable?

	Today	June 1984
Comprehensive school system	27	23
Grammar/secondary modern school system	60	63
Don't know	14	14

7 Some people would argue that academic standards have declined as a result of the introduction of comprehensive education. Others would disagree. Which of the following statements comes closest to what you think?

	Today	June 1984
Academic standards have improved as a result of the introduction of comprehensive education	20	18
Academic standards have stayed the same since the introduction of comprehensive education	26	30
Academic standards have declined as a result of the introduction of comprehensive education	41	38
Don't know	13	14

*Relates to parents only

(10-15.12.86)

Table 10 : Education (continued)

1 Which of the following statements comes closest to the way you personally feel about the priority that examinations should take in a child's total education in school?

	Today	June 1984
A child's education should be totally geared towards passing examinations	15	16
A child's education should be mainly geared towards passing examinations	37	33
A child's education should be partly geared towards passing examinations	35	40
A child's education should not be geared towards passing examinations at all	7	7
Don't know	5	5

2 There are still grammar and secondary modern schools in certain parts of the country. Some people would argue that there should be more/(less) * Others would disagree. Which of the following statements comes closest to what you would like to see happen.

	Today	June 1984
Grammar and secondary modern schools should be abolished altogether and replaced by comprehensive schools	9	11
We should have fewer grammar and secondary modern schools and more comprehensive schools	9	9
The present number of grammar, secondary modern and comprehensive schools should remain the same	29	34
We should have fewer comprehensive schools and more grammar and secondary modern schools	29	31
Comprehensive schools should be abolished altogether and replaced by grammar schools and secondary modern schools	12	13
Don't know	12	3

3 In fact, 3 out of 4 children failed to get into a grammar school when there were more such schools. Does this make you feel more favourable towards grammar schools, less favourable, or doesn't it affect your opinion?

More favourable	23
Less favourable	7
No effect	63
Don't know	7

(Based on all saying mixed system in Q5 or 6, page 12)

*Alternated less/more

(10-15.12.86)

Table 11 : Drink and Driving

	Today Public	Today Drivers	Jan 1986 Drivers
1 Do you ever drive after drinking any alcohol?			
Yes, occasionally		31	29
Yes, regularly		3	4
No, never		66	66
2 Have you ever driven when you thought you had had too much alcohol to drive safely?			
Yes		24	24
No		76	76
3 Have you ever been breathalysed? If so, were you ever over the limit?			
Yes, over the limit		1	2
Yes, not over the limit		7	7
No, never breathalysed		91	91
4 Does the breathalyser deter you at all from driving after drinking alcohol?			
Yes, unqualified		39	42
Yes, to some extent		19	21
No		42	37
5 Do you believe the alcohol limited allowed under the present law are too strict, not strict enough or about right?			
Too strict	3	3	6
Not strict enough	58	56	44
About right	36	38	45
Don't know	4	3	5
6 Would you approve or disapprove if the Government allowed the police to stop motorists at random to give them breath alcohol tests, even though they may not have committed an offence?			
Approve	71	69	59
Disapprove	27	29	37
Don't know	3	2	4
7 Do you think drivers who drink any alcohol at all before driving should or should not lose their licence?			
Should	48	45	44
Should not	44	48	48
Don't know	8	6	8
			(28.11-1.12.86)

Table 12 : Nuclear energy

1 Are you personally in favour of or opposed to nuclear generation of electricity?

	Today	June 1985
In favour	38	38
Opposed	43	37
Don't know	20	25

2 Are you optimistic or pessimistic about our ability to run nuclear generating plants without serious accidents?

	Today	June 1985
Optimistic	42	47
Pessimistic	45	41
Don't know	13	12

3 Are you optimistic or pessimistic about our ability to dispose of waste from nuclear power plants in an acceptable way?

	Today	June 1985
Optimistic	25	30
Pessimistic	61	59
Don't know	14	11

4 Do you trust the judgement of .... on nuclear safety?

	Yes	No	Don't know	Index
University scientists	49	25	25	+24
The nuclear industry e.g. Central Electricity Generating Board, British Nuclear Fuels Ltd., Nirex	42	40	18	+ 2
Greenpeace	41	35	24	+ 6
Nuclear installation inspectors	38	32	30	+ 6
Friends of the Earth	37	34	29	+ 3
National Radiological Protection Board	37	21	42	+16
UK Atomic Energy Authority	36	41	22	- 5
Radio and television	25	56	20	-31
Government ministers	18	65	17	-47
Newspapers	9	76	15	-67

(19-24.11.86. On behalf of BBC TV's "Brass Tacks")

Table 13 : AIDS and cervical cancer

1 I am going to read out some statements people have made about different things. For each of them would you please tell me whether you agree or disagree with it?

a) Sex is never right before marriage
b) Sex with more than 3 partners is morally wrong
c) Sex is never right outside marriage
d) Sex with more than 10 partners is morally wrong
e) Homosexual relations between consenting adults should be allowed
f) Having more than one sexual partner at any time is dangerous

	(a)	(b)	(c)	(d)	(e)	(f)
Strongly agree	4	14	9	26	8	20
Agree	6	28	17	34	40	50
Neither agree nor disagree	16	19	14	13	17	12
Disagree	53	29	46	17	20	13
Strongly disagree	18	7	12	7	13	3
Don't know	3	3	3	3	3	3

2 Now I'd like to ask you some questions about the disease called Acquired Immune Deficiency Syndrome, frequently referred to as AIDS. First, how much do you feel you know abut AIDS?

3 And how much do you feel you know about cervical cancer?

	AIDS	Cervical cancer
A great deal	8	5
A good amount	34	21
Not much	45	47
Almost nothing at all	10	23
Not sure	3	4

4 How worried are you that you or someone you know will get AIDS?

5 How worried are you that you or someone you know will get cervical cancer?

	AIDS	Cervical cancer
Very worried	20	22
A little worried	26	34
Not very worried	29	22
Not at all worried	20	15
Don't know	4	8

6 Have you discussed AIDS or cervical cancer with your friends recently?

Yes, AIDS	29
Yes, cervical cancer	2
Yes, both	24
No, neither	45

7 Do you think that AIDS is more a moral question or more a health question?

Moral	11
Health	50
Both	32
Don't know	7

8 Some people believe that AIDS is God's way of punishing sin. Do you agree or disagree with this idea?

Agree	9
Disagree	82
Don't know	9

9 Recent research suggests that there could be a link between promiscuity and AIDS, and between promiscuity and cervical cancer. Have you read or heard anything about this?

Yes	50
No	43
Not sure	7

(1092 16-29 year olds 11-18.11.86)

Table 13 : AIDS and cervical cancer

10 From what you may have read or heard about the research, do you agree or disagree with these findings? (All aware=100%)

Agree	79
Disagree	8
Don't know	14

11 Do you think that the government is or is not doing enough to inform the public about AIDS?

Is	30
Is not	61
Don't know	9

12 Has what you know about AIDS or cervical cancer made you change in any way your sexual or contraceptive habits? I don't want to know in what ways?

Yes, sexual habits	4
Yes, contraceptive habits	2
Yes, both	7
Don't know	87

13 Has what you know about AIDS made you feel more tolerant of homosexuals, less tolerant or hasn't it affected your views?

More tolerant	7
Less tolerant	20
Not affected	68
Don't know	5

(1092 16-29 year olds 11-18.11.86)

Table 14 : Homosexuals

1 Now I would like to ask you about the hiring of homosexuals in specific occupations. Do you think homosexuals should or should not be hired for the following occupations?

	Today	Mar 1985
Junior school teacher		
Should	29	24
Should not	63	66
Don't know	8	10
The Clergy		
Should	37	38
Should not	52	46
Don't know	12	16
Doctors		
Should	40	38
Should not	52	50
Don't know	8	12
Sales staff		
Should	67	71
Should not	25	19
Don't know	9	11
The armed forces		
Should	45	45
Should not	46	43
Don't know	9	11
Prison officers		
Should	28	24
Should not	64	67
Don't know	8	9

2 In your opinion, are there more homosexuals today than 25 years ago or not?

	Today	Mar 1985
Yes	61	52
No	18	20
Don't know	21	28

3 Do you think that homosexuality should be considered as an accepted alternative lifestyle or not?

	Today	
Yes	44	
No	47	NA
Don't know	9	

4 In your opinion, is homosexuality something a person is born with or is it due to other factors such as upbringing or environment?

	Today	Mar 1985
Born with	36	34
Upbringing	35	27
Both	18	22
Neither	2	2
Don't know	10	14

5 Do you feel that, given the choice, most homosexuals would rather be homosexual or that most would rather not be homosexual?

	Today	
Rather be	35	
Rather not be	34	NA
Don't know	32	

6 In your opinion, should homosexuals be allowed to adopt children or not?

	Today	Mar 1985
Should	16	19
Should not	75	69
Don't know	9	12

7 In your opinion, can a homosexual be a good Christian/Jew etc., or not?

	Toda	Mar 985
Yes	72	74
No	15	12
Don't know	13	14

(27.11-1.12.85)

Table 14 : Homosexuals (contd)

8 Do you think homosexual relations between consenting adults should or should not be legal?

	Today	Mar 1985
Should	55	61
Should not	33	27
Don't know	12	12

9 Compared to non-homosexuals, do you feel that homosexuals are more likely or less likely to:

	More	Less	Same	Don't know
a) lead happy, well-adjusted lives?	11	39	39	11
b) have problems with alcohol?	21	10	54	15
c) have problems with drugs?	33	7	47	13
d) be involved in crime?	12	16	59	13

10 Have you, at any time, either as a child or since you have grown up, been approached by a homosexual? (Base=all men)

	Today	Mar 1985
Yes, as a child	10	8
Yes, as an adult	24	18
No never	72	77

(27.11-1.12.86)

Table15 : Sex education

1 Some people say that the sex education of children is a subject which should be left to the parents. Others say it is a subject which should be taught at school. What do you think?

Left to parents	23
Taught at school	37
Both	38
Don't know	2

2 Do you think that parents should or should not have the right to remove their children from sex education lessons?

Should	73
Should not	23
Don't know	4

3 If sex education is a subject taught at school, do you think teachers should be left to explain sexual matters as part of their normal duties, should they have special training, or should the school bring in specially trained visiting speakers?

Normal duties	10
Special training	34
Trained visitors	52
Don't know	4

5 Do you think that the moral aspects of sex should be taught only in sex education lessons, or should teachers teach about it at other times in the school year?

Only in sex education lessons	34
At other times	56
Don't know	10

6 Do you think teachers should or should not tell children about homosexual and lesbian practices?

Should	56
Should not	30
Don't know	10

7 If teachers were ever given authority to formally tell children about homosexuals and lesbians, should they speak in favour of them, should they warn against them, or take a neutral approach?

Favour	3
Against	27
Neutral	66
Don't know	4

8 Do you think teachers should or should not draw to the attention of children the particular risk of catching AIDS as a result of certain sexual practices?

Should	94
Should not	3
Don't know	3

4 Do you think that children should or should not be given sex education with the following guidelines:

	Should	Should not	Don't know
a) In the context of love, marriage, and having a family	89	7	4
b) In the context of love, but without mentioning marriage and having a family	42	50	8
c) In the context of a purely pleasurable activity	19	72	10
d) As part of biology lessons, covering reproduction generally for most living things	85	10	5

(21-25.11.86)

Table 16 : Nuclear weapons

1 Would you favour or oppose an agreement between the United States and the Soviet Union not to build any more nuclear weapons in the future?

Favour	83
Oppose	9
Don't know	8

2 How likely do you think the United States would be to abide by such an agreement - very likely, fairly likely, or not at all likely?

3 How likely do you think the Soviet Union would be to abide by such an agreement - very likely, fairly likely, or not at all likely?

	United States	Soviet Union
Very likely	9	8
Fairly likely	31	34
Not at all likely	48	44
Don't know	12	14

4 Would you favour or oppose an agreement between the United States and the Soviet Union to destroy all nuclear weapons that have already been built?

Favour	70
Oppose	20
Don't know	10

5 How likely do you think the United States would be to abide by such an agreement - very likely, fairly likely, or not at all likely?

6 How likely do you think the Soviet Union would be to abide by such an agreement - very likely, fairly likely, or not at all likely?

	United States	Soviet Union
Very likely	6	5
Fairly likely	19	20
Not at all likely	64	63
Don't know	12	13

(19-24.11.85)

7 Do you think the siting of American nuclear missiles in Britain makes Britain a safer or a less safe place to live?

8 Do you think that having our own independent nuclear missiles makes Britain a safer or less safe place to live?

	Q7	Q8
Safer	37	52
Less safe	44	29
No difference	11	13
Don't know	7	6

9 In your view, which country is the greater threat to world peace - America or Russia?

America	37
Russia	33
Both equally	22
Neither	4
Don't know	4

10 Which, if either, of these statements comes closest to your own opinion?

Britain should rid itself of nuclear weapons while persuading others to do the same	23
Britain should keep its nuclear weapons until we persuade others to reduce theirs	71
Neither of these	3
Don't know	3

(21-25.11.86)

Table 17 : Nuclear weapons/Third World War

1 Do you think that some time in the future there will or will not be a Third World War?

	Today	Jan/Feb 1983
Yes, will be	47	46
No, will not	38	35
Don't know	15	18

2 How long do you think it will be before there is a Third World War? (All saying Yes=100%)

	Today	Jan/Feb 1983
1-4 years	4	10
5 years	6	8
6-9 years	2	7
10 "	16	18
11-14 "	4	3
15 "	3	4
16-19 "	2	2
20 "	12	10
21-30 "	6	5
More than 30 years	15	8
Don't know	30	23

3 If there is a Third World War, do you think it will be a nuclear war, or do you think only conventional non-nuclear weapons will be used?

	Today	Jan/Feb 1983
Nuclear war	61	58
Conventional weapons	29	28
Don't know	10	14

4 Which of these causes comes nearest to your own ideas as to how a Third World War would happen?

	Today	Jan/Feb 1983
Deliberate aggression by one side or the other	22	23
An uncontrolled arms race	10	11
An accidental firing of a nuclear weapon	21	18
A political crisis in Europe	11	10
A conflict between other nations somewhere else in the world	37	33
Some other reason	3	3
Don't know	5	7

5 Who do you think would win if it came to a war between the West and Russia?

	Today	Jan/Feb 1983
West	19	25
Russia	17	26
Nobody would win	47	33
Don't know	16	17

6 Taking everything into account, including the cost, which of these comes closest to your view of what armed forces Britain should have to reduce the chances of a war?

	Today	Jan/Feb 1983
Britain should have only a few or no weapons of any kind	9	8
Britain should be strong in conventional, non-nuclear weapons but no nuclear weapons	20	22
Britain should rely on nuclear weapons with only a small conventional, non-nuclear force	11	9
Britain should rely on both nuclear weapons and a strong conventional, non-nuclear force	53	54
Don't know	7	6

7 How worried are you about the chances of world wide war breaking out in which nuclear bombs will be used - very worried, fairly worried, or not worried at all?

	Today	Jan/Feb 1983
Very worried	16	28
Fairly worried	31	33
Not worried at all	52	38
Don't know	1	1

(27.11-1.12.86)

Table 17 : Nuclear weapons/Third World War (continued)

1 It has been suggested that Britain should give up relying on nuclear weapons for defence whatever other countries decide. Do you think this is a good idea or a bad idea?

	Today	Jan/Feb 1983
Good idea	29	28
Bad idea	63	65
Don't know	8	6

2 Suppose this country were attacked with nuclear bombs, do you think that we would be able to reply with our own independent nuclear bombs or do you think we wuld first have to get the agreement of our allies?

	Today	Jan/Feb 1983
Reply with our bombs	33	34
First get agreement	52	50
Don't know	15	16

3 What do you think is best for Britain's security that we do or that we do not have nuclear weapons here?

	Today	Jan/Feb 1983
We do	67	66
We do not	26	25
Don't know	8	9

4 Do you think the fact that Britain itself has nuclear weapons, increases or decreases the risk of a nuclear attack on this country?

	Today	Jan/Feb 1983
Increases	29	35
Decreases	44	41
No effect	20	17
Don't know	7	7

5 Do you think it is likely or not that there is ever going to be a nuclear war?

	Today	Jan/Feb 1983
Yes, likely	44	49
No, not likely	40	36
Don't know	16	15

6 How long do you think it will be before there is a nuclear war? (All saying yes=100%)

	Today	Jan/Feb 1983
1-4 years	2	7
5 years	3	7
6-9 years	1	5
10 "	12	16
11-14 "	3	3
15 "	3	3
16-19 "	3	3
20 "	14	11
21-30 "	8	4
More than 30 years	17	11
Don't know	33	29

7 If nuclear weapons were used against Britain:

a) What do you think your chances would be of living through it?

	Today	Jan/Feb 1983
Very good	1	1
Good	1	1
Fair	7	8
Poor	87	87
Don't know	4	4

b) And what do you think are the chances of Britain surviving as a nation?

Very good	1	2
Good	4	6
Fair	15	16
Poor	75	70
Don't know	4	6

(27.11-1.12.86)

Table 17 : Nuclear weapons/Third World War (continued)

8 Which side - NATO or Russia and the Warsaw Pact - has the strongest military forces?

	Today	Jan/ Feb 1983
NATO	22	17
Warsaw Pact	45	55
Both equal	10	7
Don't know	23	20

9 And which side is strongest in nuclear weapons - NATO or Russia and the Warsaw Pact?

	Today	Jan/ Feb 1983
NATO	23	15
Warsaw Pact	42	54
Both equal	10	9
Don't know	25	21

(27.11-1.12.86)

Table 18 : Christmas

1a) Compared with the last year, are you intending to spend more on Christmas presents, spend less or about the same amount this year?

	Today	Dec 1984
More	34	30
Less	21	26
Same	43	44
Don't know	1	0

b) And how about Christmas cards?

More	23	19
Less	15	19
Same	60	61
Don't know	2	1

c) Drink?

More	21	18
Less	21	24
Same	54	55
Don't know	4	3

d) And food?

More	31	31
Less	13	14
Same	52	53
Don't know	4	1

2 About how many Christmas cards do you usually buy?

None	7	
Under 10	2	
10-19	7	
20-29	13	
30-39	13	NA
40-49	12	
50-59	14	
60-69	8	
70 or more	9	Dec
Not sure	15	1955
Average	32	24

3 Which of these things are you doing at Christmas?

	Today	Dec 1984
Having a Christmas tree	79	78
Having a turkey or other poultry	77	81
Staying at home	73	74
Having a family party	52	57
Filling children's stockings	38	38
Going to a pantomime	1	na
Going away to the seaside/ country	8	9
None of these	2	1

4 Do you regard Christmas mainly as ...

	Today	Dec 1984
A religious festival	34	41
An opportunity to meet the family and friends	31	44
A holiday	23	24
An occasion for eating and drinking	13	18
None of these	3	4

5 Would you say that Christmas is becoming more religious, less religious, or remaining about the same compared with your childhood?

	Today	Dec 1984
More religious	3	3
Less religious	74	76
Same	22	20
Don't know	1	1

6 Do you normally go to church on Christmas Day or not?

	Today	Dec 1984
Yes	27	30
No	73	70

(10-15.12.86)

Table 18 : Christmas (contd)

7 Will you celebrate Christmas Day at home or away from home?

	Today	Dec 1964
At home	72	81
Away from home	26	18
Don't know	2	1

8 With about how many people altogether?

	Today	Dec 1964
Alone	1	2
1-4	29	27
5-10	52	54
Over 10	14	15
Don't know	3	2
Average	7	na

(10-15.12.86)

PRIME MINISTER

EDUCATION REFORM

Lord Young told me, after your meeting with him, that he has already discussed with Mr Baker at length his ideas for giving the "National Training Agency" a role in supervising direct grant schools. It might make sense for Lord Young to come to your next meeting on Education Reform, with the Chancellor of the Exchequer and Mr Ridley.

Agree?

Officials did not attend your last meeting on Education Reform, though they were present for your meeting on Polytechnics. Would you wish officials to attend your next meeting on Education Reform? (This will take Mr Baker's "blueprint".)

D R NORGROVE
17 February 1987

APPOINTMENTS IN CONFIDENCE

file

BSG

bc BG

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

17 February 1987

EXAMINING A LEVELS

The Prime Minister has seen your Secretary of State's minute of 9 February and your letter of 16 February to Nigel Wicks. She has confirmed that she is content with the terms of reference attached to the latter, and also with the proposal to appoint Gordon Higginson.

I am sending copies of this letter to John Shortridge (Welsh Office), Neil Ward (Northern Ireland Office), Caroline Slocock (Department of Employment), Robert Gordon (Scottish Office), Michael Gilbertson (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

P. A. Bearpark

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

APPOINTMENTS IN CONFIDENCE

ESD7AM18

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

FROM THE SECRETARY OF STATE

N L Wicks Esq
Private Secretary
10 Downing Street
London SW1

16 February 1987

Dear Nigel,

EXAMINING A LEVELS WITH NLW/PAS?

Brian Griffiths has discussed with officials here the draft terms of reference enclosed with my Secretary of State's minute of 9 February.

Having received a report of that discussion, Mr Baker believes that the attached, revised terms of reference will deliver the improvements which Ministers are seeking whilst safeguarding the present character and rigour of A levels. I understand that Brian, too, shares this belief.

I am copying this to Jon Shortridge (Welsh Office) and to Trevor Woolley.

Yours sincerely,

Rob Smith

R L SMITH
Private Secretary

TERMS OF REFERENCE (REVISED)

In the light of the Government's commitment to retain General Certificate of Education (GCE) Advanced level examinations as an essential means for setting standards of excellence, and with the aim of maintaining or improving the present character and rigorous standards of these examinations:

- to recommend the principles that should govern GCE A level syllabuses and their assessment, so that consistency in the essential content and the assessment of subjects is secured;

- to set out a plan of action for the subsequent detailed professional work required to give effect to these recommendations.

16. II. 1913

10 DOWNING STREET

Prime Minister.

Content with the amended TORs agreed by Brian Griffiths at Hay A, and the appointment of Gordon Higginson ?

PSB
16/2

PRIME MINISTER

The minute from Kenneth Baker below proposes very slightly amended TORs for the review of 'A' levels, and asks for your agreement to Gordon Higginson as Chairman. Brian Griffiths is strongly opposed to all this. He would prefer no review at all; but if there is to be one he has proposed much tighter TORs.

Agree to suggest Brian's tighter TORs to Mr Baker?

PAB

P.A. Bearpark
11 February 1987

n 6pm

PRIME MINISTER 10 February 1987

Examining A Levels

The Secretary of State has now supplied new terms of reference for his proposed review of 'A' levels. He claims to "have tightened the terms of reference as you suggested".

In fact the new terms are identical to the old, except that the clause "so that the present character and standards of A level are maintained or improved "has been added to the second paragraph. This addition as it stands is unsatisfactory. (See Appendix A)

First, it does not in any way change the basic nature or purpose of the review - indeed from the way in which it has been tagged on it can be read to mean almost anything.

Second, it does not begin to meet your reservations about his original paper as expressed in David Norgrove's letter of 19 November 1986, namely that the purpose of the review should be to iron out inconsistencies and anomalies and construct a core syllabus for each subject but not undertake a fundamental review of 'A' levels which could frustrate these objectives.

The real reason for the review

The A level curriculum and exams are the only feature of school education which have escaped DES reform over the past few years: GCE 'O' levels and CSE have given way to GCSE, AS levels have been introduced to broaden the sixth form curriculum, TVEI has introduced technical education and CPVE (Certificate of Pre-Vocational Education) for pupils of limited ability. (See Appendix B)

Within the framework of DES and HMI thinking (which reflects the educational establishment) the existing 'A' level courses are based on a narrow rather than a broad curriculum, are designed for a limited ability range, are graded on the basis of "norm-referencing" (i.e. heavily influenced by the overall performance of all candidates) rather than "criteria-referencing" (which is the aim of GCSE) and to quote an official DES publication "Since A levels are designed for a limited ability range, and there are no plans for systematically basing their award on criteria-related grades, they are likely to be of limited value in the assessment of a school's performance.* (See Appendix C).

This in my judgement says everything. It is neither a necessary let alone a sufficient reason for undertaking a fundamental review of 'A' level.

The case against accepting the recommendation

There are two reasons for not accepting Kenneth Baker's recommendation:-

(i) the driving force for the review is not dissatisfaction from either pupils, or employers but the desire to reform 'A' levels in line with GCSE; this must lead to breadth at the expense of depth and a dilution of standards;

(ii) the teaching profession is already overwhelmed with curriculum innovation and new examinations: GCSE, TVEI, AS levels, CPVE. Introducing yet more changes are bound to meet with hostility from teachers, who are already suffering serious mental indigestion.

* Public Examinations. Better Schools : evaluation and appraisal. DES 1986

Recommendation

1. In view of the pressures on teachers following GCSE, AS levels, TVEI and CPVE, it would be far better to wait and find out how successful these changes have been rather than introduce yet more changes.

2. The ideal would be to have no review.

3. If the review must go ahead then it should have very restricted terms of reference.

"In the light of the Government's commitment to retain GCE A level exams as an essential means for setting standards of excellence

- to recommend action which will remove those inconsistencies and anomalies which exist at present between different examining bodies,

- to recommend a core syllabus for each subject on the basis of the existing curricula."

R. Griffiths

p.p. BRIAN GRIFFITHS

Appendix A

Old and New Terms of Reference

Old Terms of Reference

In the light of the Government's commitment to retain General Certification of Education (GCE) Advanced level examinations as an essential means for setting standards of excellence:

- to consider GCE A levels, in particular their course objectives, syllabus content, grading standards, assessment techniques and examination procedures;

and in the light of that consideration,

- to recommend the general principles that should govern GCE A level syllabuses and their assessment;
- to advise on any modifications necessary to implement these principles; and
- to advise on the steps necessary to secure timely implementation of any required modifications.

New Terms of Reference

In the light of the Government's commitment to retain General Certificate of Education (GCE) Advanced Level examinations as an essential means for setting standards of excellence:

- to consider GCE A levels, in particular their course objectives, syllabus content, assessment techniques, examination procedures and standards of grading;

and in the light of that consideration,

- to recommend the principles that should govern GCE A level syllabuses and their assessment, so that the present character and standards of A levels are maintained or improved, and consistency in the essential content and the assessment of subjects is secured;
- to set out a plan of action for the subsequent detailed professional work required to give effect to these recommendations.

Better Schools

Appendix B

CHAPTER 3

EXAMINATIONS AND ASSESSMENT

Objectives

90. For most pupils, the period of compulsory education culminates in assessment through public examinations. The Government believes that this should continue to be so. Examination results are one important means of assessing achievement; examinations, properly designed, are a stimulus to good performance, and parents and employers, as well as many pupils, rightly value them.

91. Examinations exert a strong influence on the secondary school curriculum, and they need to be designed and used in the service of the curriculum. The Government's aim is to achieve broad agreement on objectives for the curriculum, and to secure the provision of examinations which reflect that agreement and which in turn make their own contribution to improving the quality of education. Such examination courses are an important preparation for employment.

92. The examinations at 16+ provide the benchmark for the aim, referred to in paragraph 80, of bringing 80-90 per cent of all pupils up to and beyond the standard of performance now associated with the average, across a range of subjects. Reform of these examinations, as described below, will enable them to serve as such a benchmark in an effective way.

93. The Government believes that the examinations taken at school should serve the following specific objectives:

(1) to raise standards across the whole ability range;

(2) to support improvements in the curriculum and in the way in which it is taught;

(3) to provide clear aims for teachers and pupils, to the benefit of both and of higher education and employers;

(4) to record proven achievement;

(5) to promote the measurement of achievement based on what candidates know, understand and can do;

(6) to broaden the studies of pupils in the 4th and 5th secondary years and of 6th form students.

94. The Secretaries of State have established an independent body, the Secondary Examinations Council (SEC), to supervise the operation of examinations taken by pupils during the years of compulsory schooling and at 18+ and to advise the Government on the ways in which the national system of secondary examinations may best meet the needs of the education service and its clients. Since it was set up in 1983 the SEC has made a substantial contribution to the development of examinations. It will have an important part to play in the coming years.

See Para 102

95. The Government has taken action in regard to several aspects of secondary examinations and assessment. The following paragraphs describe these actions and the reasons for them.

The GCSE

96. The present system of examinations designed to be taken at age 16+ —the GCE O level, the CSE and the more recently introduced joint 16+ examinations—is in need of reform. There are 20 separate examinations boards each awarding its own certificate, many hundreds of subject titles, and nearly 19,000 syllabuses; many of the apparent similarities between syllabuses mask real differences and many of the apparent differences are unreal. The existing examinations serve largely to place candidates in rank order and there is no clarity about levels of attainment in more absolute terms. The O level and CSE grades overlap, and this is unfair to able candidates who obtain a CSE grade 1, which often carries less esteem than the corresponding O level grades. For all these reasons the users of the examinations system, particularly parents and employers, can have no clear understanding of the significance of O level or CSE certificates. Moreover, the examinations often test mainly the capacity for the orderly recall of facts and give insufficient weight to such things as the ability to reason, or to solve problems, or to oral and practical skills; the targets which teachers and pupils set themselves are accordingly less useful than they should be.

97. In order to remedy these weaknesses, and to meet the aims described in paragraphs 92 and 93, the Government announced in June 1984 its decision to establish the General Certificate of Secondary Education with a seven point scale of grades, A-G, which will replace O levels, CSE and the joint 16+ examinations. All the GCE and CSE Boards have, with some reservations on particular aspects, accepted the Government's proposals. The first GCSE examinations will be held in 1988. The main features of the GCSE will be:

(1) a *single system* with *differentiated assessment*: it will be more equitable, and will permit candidates at each level of ability to show what they know, understand and can do on the basis of suitably differentiated papers, or differentiated questions within papers, in all subjects;

(2) *national criteria*: these are nationally agreed guidelines with which all GCSE syllabuses and examinations will comply. They have been developed by the examinations boards themselves and approved by the Secretaries of State on the advice of the Secondary Examinations Council. National criteria are needed in order to ensure that syllabuses in given subjects have sufficient content in common, that the assessment is conducted according to common principles, and that pupils, parents and other users of examinations will be better informed and have a clearer understanding of what a given GCSE certificate attests. The criteria provide for syllabuses and examinations to be free of political, ethnic, gender and other forms of bias, and to take account of the linguistic and cultural diversity of candidates. By comparison with existing examinations, the national criteria place a new emphasis on oral and practical skills and course-work, on reasoning and on the application, as well as the acquisition, of knowledge and understanding. The Secretaries of

State have approved the first edition of the national criteria, the texts of which are agreed between the boards, the Secondary Examinations Council and the Education Departments. The criteria were published in March 1985. It will be for the Secondary Examinations Council, in consultation with the examining groups, to advise on revisions to the national criteria;

(3) *criteria-related grades:* the grading system needs to be more objective than it is at present. Grade criteria are accordingly being developed as an extension of the national criteria: they will define the main aspects of each subject which the examinations will be designed to test and the levels of attainment expected of candidates in each aspect for the award of particular grades. Once the grade criteria are developed, the award of grades will depend on candidates' ability to demonstrate defined levels of skill, knowledge and understanding. The Secondary Examinations Council has set up working parties to draft grade criteria for 10 subjects in the first instance: English, mathematics, French, history, geography, physics, chemistry, biology, CDT and Welsh. These subjects account between them for over two-thirds of total subject entries in the existing 16+ examinations. The Council will report progress, and consult on the draft criteria, in summer 1985. In autumn 1985 it will begin work on a second batch of subjects. The aim is to devise grade criteria in due course for all subjects commonly examined at this level;

(4) *target group*: the existing examinations at 16+ were originally designed for the top 60 per cent of the ability range by subject; about 90 per cent of school leavers now obtain a graded result—at whatever level—in at least one subject. This is the base from which the Government wishes to see progress towards the aim referred to in paragraph 80. The target group for the GCSE will not be limited to any pre-ordained percentage of candidates. The GCSE will be designed for all candidates, whatever their abilities relative to other candidates, who are able to reach the standards required for the award of particular grades;

(5) *administration*: the GCSE will be administered by 5 groups of boards, 4 in England and 1 in Wales, instead of 20 independent boards as at present. Within the groups, the GCE Boards will have special responsibility for confirming the standards of grades A to C, and the CSE Boards a similar responsibility for grades D to G;

(6) *Distinction and Merit Certificates*: the Government wishes to encourage the ablest pupils, no less than others, to pursue a broad and balanced curriculum. The Secretaries of State have accordingly published for consultation proposals for the introduction of Distinction and Merit Certificates to reward candidates obtaining good grades in a specified range of subjects. The Government will announce its conclusions in the light of the consultations;

(7) *in-service training of teachers*: a special programme of training is being mounted to help all the teachers concerned to prepare for the introduction of the GCSE. The programme will focus particularly on assessment

techniques and the setting and assessment of course-work. For this purpose the Government and the local authority associations have agreed that, subject to the approval of Parliament, the training provided by the examining groups within the programme should be supported by the in-service teacher training grants scheme, and the Government will also increase its grant to the Secondary Examinations Council.

98. The arrangements for the GCSE are designed to secure, far better than at present, that candidates are tested on what they know, and can do and understand, rather than on what they do not know and cannot do or understand; that what is tested relates to worthwhile achievements; that success or failure depends on the candidate's own performance, tested against defined standards and irrespective of the performance of others; and that similar performance will be similarly recognised and rewarded. The Government is confident that the arrangements will improve both teaching and examining in schools and colleges. They will promote a much needed increase in those practical and other skills which will be demanded by the future pattern of employment. They will also improve the motivation of many pupils following examination courses, particularly those who at present may expect only modest results in GCE or CSE examinations: courses offered under the GCSE will be designed to present appropriate challenges to candidates at each level of ability.

Pre-vocational courses pre-16

99. Some schools prepare pupils for pre-vocational examinations other than O level and CSE (eg those of the City and Guilds of London Institute, the Royal Society of Arts, and the Business and Technician Education Council) during the years of compulsory schooling. Such courses will continue to be available to complement GCSE examinations as well, in the service of a curriculum which is broad, balanced, relevant, and differentiated in accordance with pupils' abilities. The Government is setting up a working party, under an independent chairman, with representatives of all the examining and validating bodies concerned, and serviced by the Secondary Examinations Council, to draft national criteria for pre-vocational and vocationally oriented examination courses taken by pupils of statutory school age. The working party will also consider progression from such courses to post-16 courses which lead to vocational qualifications.

Graded assessments

100. Graded assessments are designed to test and usually to certificate attainment at certain points in a course. Some interesting work is being carried out by LEAs and examinations boards in developing such assessments. A large number of pupils are now involved in schemes of foreign language testing on the basis of graded objectives: an account of the strengths and weaknesses of some of this work was presented in 1983 in a report by HMI*. Graded assessments have a valuable potential for motivating pupils and in evaluating progress towards relatively modest short-term objectives, but they carry risks

*'*A Survey of the Use of Graded Tests of Defined Objectives and their Effect on the Teaching and Learning of Modern Languages in the County of Oxfordshire'. Reports on developments in other LEAs are to be published shortly.*

of fragmentation and inflexibility in the curriculum and in teaching and learning. The Government welcomes the exploratory work which is now going on. Judgement must be reserved on the value of graded assessments in particular subjects and their possible application across the whole curriculum: more development work needs to be done and evaluated. For the great majority of pupils, graded assessments should not be alternatives to the GCSE but should be designed to help on their way pupils who are expecting to take these examinations. For some pupils, however, graded assessments will enable credit to be given for work which is not carried forward to the level of the GCSE. The Government is funding two feasibility studies on the development of graded tests for lower-attaining pupils in mathematics, following a recommendation of the Cockcroft Committee. The Secondary Examinations Council will monitor developments in this area, and the Secretaries of State have asked the Council to be associated with the evaluation of this component of the Government-funded pilot projects on records of achievement (see paragraph 119).

A levels

101. The Government is committed to the retention of A levels (including Special papers): they set standards of excellence which need to be preserved; they have an educational value in their own right; they provide the foundation for degree courses; and they play an important role in selection for higher education.

102. The Government is aware of concern about the nature of the grading system, including the definition of grade boundaries, and about the content of A level examinations. A working party of the Secondary Examinations Council is studying the A level grading system and has issued proposals for consultation. The GCE Boards and the Standing Conference on University Entrance have developed cores for the content of 11 of the most popular subjects. All these initiatives are a useful start, which can provide, as time and resources permit, the basis for re-appraising A level syllabuses and the assessment of performance in the A level examinations.

Advanced Supplementary (AS) levels

103. The principles of breadth and balance apply also to those on A level courses. The present arrangements for examinations at 18+ and for admission to higher education encourage students to pursue good grades in a limited range of A level subjects, to the exclusion of other subjects whose study would be valuable for adult life and employment. The Government has decided to take action to promote greater breadth for those engaged in A level studies, without reducing standards.

104. In a consultative paper published in May 1984 the Secretaries of State set the objective of broadening the curriculum for A level students without diluting academic standards, and proposed the introduction of new examination courses to that end—Advanced Supplementary or AS levels—which students would be able to take alongside A level courses and which would require about half the amount of teaching time of an A level course. The Secretaries of State suggested that the new qualification, and its adoption by

the universities and other institutions of higher education as an important element in admission processes, would enable A level students to study additional subjects which would contrast with or complement their A level studies without diminishing their chances of admission to the higher education institution of their choice. The Secretaries of State expressed the hope that those not taking A level courses full-time, including mature students, would also benefit from the new qualification.

105. The response to these proposals indicated very strong support among the universities for the introduction of AS level courses, together with a willingness to give full recognition to the new qualification in admission processes. Employers' organisations too gave firm support for the proposal. The rest of higher education and the examinations boards mostly indicated support in principle as well. Many respondents emphasised their concern about the need to devise appropriate syllabuses. In schools and colleges, opinion was divided: some of the teachers' organisations expressed serious concern about the design of syllabuses, the possible extra pressures on A level students, and the difficulties of accommodating AS level courses within available resources.

106. In view of the support shown for the proposals, notably by higher education, the Government has decided that AS level courses should be introduced on the lines proposed with adjustments to take account of its consultations. The Secretaries of State will invite the GCE Boards to prepare syllabuses in co-operation with the Secondary Examinations Council, higher education and others concerned, so that the first AS level examinations may be held in 1989, a year later than was proposed. The extra year will allow more time for the preparation of syllabuses and consultation on them. It will also separate by one year the introduction of AS levels and the GCSE.

107. In the Government's view, the following principles should inform the design of AS level syllabuses:

(1) the syllabuses should be intellectually demanding and coherent, with an emphasis on practical applications as appropriate;

(2) they should be designed to require about 2½ hours of teaching per week over two years and about half the study time of an A level course;

(3) they should be related where possible to suitable A level syllabuses, and in particular to core syllabuses where they exist, to the extent that the principles in (1) and (2) permit.

108. It is essential that higher education should have confidence in the rigour, coverage and standards of AS level courses, and that the general quality of work demanded for the award of any grade is comparable with that of A level courses, so that full credit may be given for AS level success in all aspects of the admission processes.The grading of A level and AS level examinations will accordingly need to be closely linked.

109. The Government does not envisage that there should be any compulsion on A level students to take AS level courses. The representatives of higher

education have stated that there can be no question of prejudicing the entry opportunities of candidates from schools which can provide few or no AS level courses by giving a general preference to candidates with AS level successes, and the Government endorses that approach. The representatives of higher education have however also stated that, subject to any specific requirements set by individual departments, institutions will in general regard both traditional combinations of A level subjects and broader combinations of A and AS level subjects as being wholly acceptable as a preparation for higher education. They have also made it clear that, while some departments may continue to require three specified A level subjects, many see advantage in a broader spread of subjects. The normal minimum requirement for entry to degree courses will continue to include two A levels (and, for HND and equivalent, one A level).

110. The Secretaries of State are confident that the majority of schools and colleges which offer A level courses on a substantial scale will be able to accommodate at least some AS level courses. Schools with large sixth forms, sixth form colleges and tertiary colleges will be relatively well placed to introduce a range of AS level courses at an early stage. The Secretaries of State recognise that schools with smaller sixth forms will find it more difficult to accommodate AS level courses. If however such schools were to offer only a few courses at AS level, even as few as two, that would in itself valuably extend the range of options open to their students.

111. The higher education bodies have made clear that they attach particular importance to the early development of AS level syllabuses in mathematics with practical applications, design and technology, English and modern languages. Many schools and colleges have emphasised the potential value of an AS level course in general studies. The Government hopes that the GCE Boards will be able to offer syllabuses in all these areas, and in others as well, from the outset, and that syllabuses will be developed over time in all subjects where there is sufficient demand. The Secretaries of State believe that the development of a range of courses at AS level, by widening the choice of subject combinations available to A level students, will help to prepare them better for adult life and for employment.

Certificate of Pre-Vocational Education

112. The Government has promoted the establishment of a new qualification, the Certificate of Pre-Vocational Education (CPVE), for those young people who stay on full-time in either schools or colleges for one year after the compulsory period and who are not pursuing CSE or O level (or in due course GCSE) qualifications with a reasonable hope of success, and do not have a clear vocational aim in view. The CPVE is administered by a Joint Board of the two principal examining and validating bodies for pre-vocational education—the City and Guilds of London Institute (CGLI) and the Business and Technician Education Council (BTEC)—on which the other main examining bodies, in schools as well as in further education, together with employers and LEAs, are represented; it is intended to replace a range of existing courses including

the pre-vocational courses of the CGLI, BTEC and the Royal Society of Arts, and the Certificate of Extended Education offered by most CSE and GCE Boards.

113. CPVE courses will have a strong element of general education, offered in practical contexts, as well as a progressively sharpening vocational focus. Students will be expected to make progress in various "core" areas (including communications, numeracy, science, information technology, knowledge about industrial society, and personal and creative development) and to explore one or more of five broad vocational areas. Structured work experience will be an important element in each course. The main examining and validating bodies offering more specific vocational courses have signified their intention to recognise the CPVE for the purpose of progression in these courses; and the CPVE should become a qualification widely valued by employers.

114. For the most part CPVE courses will involve not the teaching of separate subjects but the development of skills, knowledge and attributes across the areas covered by each course. Assessment will be by the teachers on the basis of nationally established "levels of achievement", and there will be no overall pass/fail. The CPVE will enable all students, particularly those with a limited record of success in the GCSE examinations, to demonstrate what they can learn and achieve in a situation related as directly as possible to adult working life. In view of its novel character, the success of the CPVE requires important changes in most schools' and teachers' methods of working. The Government, through the Further Education Unit, has financed a substantial staff development programme for school as well as college staff; and the in-service teacher training grants scheme (see paragraph 174) is facilitating the release of teachers to courses of training for the CPVE as well as for other pre-vocational teaching.

115. Work is in progress to ensure that the CPVE, as it develops, relates coherently to the pre-16 pre-vocational courses referred to in paragraph 99, and to the Youth Training Scheme.

Records of achievement

116. Many important educational attainments are not reflected in examination results. The Government believes that young people should be given credit for what they have achieved during their time at school across their whole programme and should be provided, on leaving school, with a short summary document which recognises their achievements. It has therefore set the policy objective of establishing by the end of the decade arrangements under which all pupils leaving school will be provided with a record of achievement.

117. If the full potential of a system of records of achievement is to be realised, schools will need to establish internal arrangements for recording information about a pupil's progress and achievements during his period of secondary education. The final summary will draw on this. There will also need

to be regular discussions between teacher and pupil to assist the pupil's development and progress by motivating and encouraging him, and making him more aware of his strengths, weaknesses and opportunities. The process of recording and discussion has, in addition, important consequences for the pupil's programme: the school has to think more systematically than is at present the general practice about the pupil's curricular needs; and the teachers need to give the pupil opportunities to demonstrate those qualities on which the record is intended to throw light.

118. The Government acknowledges that the record of achievement, to be valued by pupils, will need to be accepted and recognised by employers and other users. A particular problem will be in recording personal achievements and qualities in a way which is not open to the criticism of subjectivity. The Government considers that this problem will best be met by basing such assessments on concrete examples of what a pupil has achieved and experienced, from which personal qualities and skills may be inferred.

119. While a substantial minority of schools and LEAs, including the schools involved in every TVEI project, are developing records of achievement, sometimes under the heading of "pupil profiles", it is widely accepted that more practical experience is needed, on a pilot basis, before records of achievement can be introduced nationally. The Government is therefore providing financial support, through education support grants, for nine pilot schemes (including one in Wales). A national Steering Committee will oversee the monitoring and evaluation of these schemes.

PRESENTATION 2

Assessment Techniques and Approaches

2.1 Public Examinations

Paper by the Department of Education and Science

The Cockcroft Report[1] records the following remark drawn to the attention of the Committee in the course of its inquiry: 'No one has ever grown taller as a result of being measured' (page 123). But this remark has only limited application to the measurement of performance by secondary school examinations. Leaving to one side the great demand from certain sections of society, notably parents, further and higher education bodies and employers, to know how 'tall' pupils are, it is widely recognised that, in its broader sense, assessment by examinations can have two positive purposes — diagnosis and recording — the one analysing pupils' performance and identifying weaknesses in order to remedy them, the other recognising achievements attained. Both purposes can help motivate pupils to achieve more and attain a higher level of performance. With the correct measuring instrument pupils can be encouraged, in performance terms, to grow taller. The question is how the public examinations system can be made more effective as a measuring instrument; this paper describes proposed changes in the system that should lead to its better fulfilling the two purposes outlined above.

The examination and assessment of pupils can also contribute to the assessment of their schools and teachers, with the same purposes — diagnosis and recording. Interpreted with care, these measurements of pupils can encourage schools and teachers alike to grow taller.

Background

Better Schools set out the following specific objectives with regard to examinations taken at school:

i. to raise standards across the whole ability range;
ii. to support improvements in the curriculum and in the way in which it is taught;
iii. to provide clear aims for teachers and pupils, to the benefit of both and of higher education and employers;
iv. to record proven achievement;

[1] DES. *Mathematics Counts*. Report of the Committee of Inquiry into the Teaching of Mathematics in Schools, under the Chairmanship of Dr W H (now Sir Wilfred) Cockcroft. HMSO, 1982.

See Pages 42 and 43.

v. to promote the measurement of achievement based on what candidates know, understand and can do;
vi. to broaden the studies of pupils in the 4th and 5th secondary years and of 6th form students.

The intention is, therefore, to improve examinations by designing them to support, rather than dominate, curricular objectives, and through these means to raise standards. *Better Schools* envisaged the securing of national agreement about curricular objectives and the use of appropriately designed examinations to measure pupils' performance against assessment objectives set in the light of those curricular objectives. This assessment would serve the same purposes mentioned earlier, namely diagnosis and recording: examinations would play an important part in securing the effective delivery within schools of the nationally agreed curricular objectives and would record the positive achievements of pupils.

The General Certificate of Secondary Education (GCSE)

The reforms of the 16-plus examination system are designed to set in place at the end of the compulsory period of schooling an examination system that would meet the six objectives outlined above.

Agreed assessment objectives

i. The national criteria for the GCSE represent agreement among those concerned on the frameworks within which syllabuses will be drawn up for particular subjects. As the Secretaries of State for Education and Science and for Wales said in their foreword to *The National Criteria*[1]: 'For the first time, the partners in the education service have pooled their wisdom and experience in order to produce nationally-agreed statements on course objectives, content and assessment methods for all the subject areas most commonly examined in the final years of compulsory schooling'. The national criteria for individual subjects were drawn up in the light of best practice and developments within those subjects and should result in improved examination syllabuses and examination courses. They specify objectives both for the examination courses and for assessment. For the first time there is an agreed description of skills, abilities and competencies which pupils will need to foster and demonstrate as a result of two-year public examination courses. The criteria are not, of course, meant to constitute a straitjacket. As the debate on curricular objectives continues, they may require revision; the Secondary Examinations Council (SEC) has the responsibility of reviewing them periodically and suggesting changes where required.

[1] GCSE: *The National Criteria*. HMSO, 1985.

Agreed course content

ii. The national criteria, by laying down guidelines within which syllabuses must be drawn up, should help to reduce the number of separate syllabuses, and subject titles, currently presented for 16-plus examinations. In addition, the separate examination boards, by working together within five GCSE Examining Groups, will help further to reduce the plethora of near-identical syllabuses and ensure that teachers, users of certificates and others concerned can have greater confidence that an examination course title represents an agreed delineation and description of the course content.

Measurement of a wider range of positive achievements

iii. The requirement for differentiated papers, or differentiated questions within common papers, in all GCSE subjects should enable all pupils to be awarded grades on a more positive performance than hitherto. It is intended that pupils will be assessed on the basis of good performance on questions of varying difficulty, so that able pupils are tested to their full ability and less able pupils no longer, as now often happens, merely pick up a few marks from poor performances on questions which are too difficult for them. By pupils being required, particularly for the achievement of the lower grades, to give a wider and more positive demonstration of their abilities than under the current system a more reliable measure of attainment will be possible.

iv. The national criteria also provide for GCSE examinations in almost all subjects to include a significant element of course work, as well as timed written examinations. The setting and assessment of coursework can help teaching and learning processes by measuring — and thus encouraging the development of — important skills not easily tested by timed, written examinations alone. Practical and oral skills are amongst those to be emphasised.

More objective grading

v. In existing 16-plus examinations the award of grades to individual candidates is largely norm-referenced — heavily influenced by the relative overall performance of all candidates. The GCSE, when first introduced, will also be essentially norm-referenced, though the changes and developments outlined above (and, in particular, in paragraph iii, above) should go a long way to reducing the harmful effects of such a system, particularly for pupils of lower abilities. The intention however is to move as quickly as practicable to a new and more objective system of 'criteria-related' grading in which the grades awarded will be based more closely on recognised standards and defined levels of attainment, without reference to the performance of other candidates.

vi. This is an ambitious and important development, still in its infancy. The SEC has recently, as a first step, published for

consultation the grade criteria proposals for 10 subjects. Working from the national criteria, they have attempted to define the aspects of each subject in which pupils' attainment will be assessed, and to define the level of attainment expected of candidates in each of those aspects for the award of particular grades. Much work remains to be done, but the prizes are high. Grade criteria are more than just an attempt to make the grade awarded a better and more objective reflection of candidates' abilities, and thus more helpful to employers and other users of certificates; they ought also, by specifying what needs to be achieved for the award of particular grades, to set clear goals for pupils to aim at and thus help to motivate them to attain more.

Post-16 examinations in schools

Traditionally, most pupils who have remained at school post-16 have done so in order to take A-levels — an examination which has its roots in universities' requirements for properly grounded candidates from amongst whom they can select their degree entrants. Since A-levels are designed for a limited ability range, and there are no plans for systematically basing their award on criteria-related grades, they are likely to be of limited value in the assessment of a school's performance, although carefully interpreted A-level results can throw light on how well a school develops the potential of its ablest pupils.§

The Government stated its commitment in *Better Schools* to the retention of A-levels, noting not only their role in providing a foundation, and selecting entrants, for degree courses, but also the standards of excellence which they set. Since then, it has been announced that there are to be certain changes to the A-level grading system which, *inter alia*, will introduce an explicit but limited element of criterion-referencing into the existing, largely norm-referenced system. This development, taken with the work done by the GCE boards in relation to common cores for the most popular A-level subjects, follows to some extent the trend of the developments in the 16-plus examination system outlined above (paragraphs ii. and iii., p41), but at the present time there are no plans to introduce agreed assessment objectives for A-levels to parallel the GCSE national criteria; the A-level examination continues to determine curricular objectives for this period of study.

But they would be delighted if there could be. →

The Government's objective (vi., page 40) that examinations should broaden the study of senior pupils included a specific reference to sixth form students. The new sixth form examination — the Advanced Supplementary (AS) level — which is to be introduced in autumn 1987 has been designed to encourage A-level students to broaden their examined studies. This additional measure of performance, taken with A-level performance, will provide a somewhat fuller assessment of each

pil and could contribute to the overall evaluation of a school's sixth form work — though with the proviso in paragraph § above.

The nature of sixth forms has changed, however, over the last two decades. Provision has increasingly been made for those who are neither taking A-level courses nor re-taking O-levels. To meet the needs of these 'new' sixth formers, a range of new courses have been offered by a variety of examining and validating bodies; from autumn 1985 much of this provision has been subsumed within the Certificate of Pre-Vocational Education (CPVE). In the CPVE, assessment is not based upon timed, written examinations; instead, as with its predecessors, there will mainly be continuous assessment of candidates by their schools, with those schools being subject to validation and moderation by the examining and validating bodies. This process provides regular feedback for teachers and pupils, and allows the assessment to serve the purpose of diagnosis as well as recording, with encouraging effects on motivation and performance.

Public examinations — contribution to the appraisal and evaluation of performance

Pupils' performance

The examination reforms outlined above should lead to a fuller and fairer assessment of pupils' performance, in particular at age 16 where the GCSE's increased emphasis on coursework assessment should provide opportunities for pupils to learn more about their strengths and weaknesses; for achievements to be properly reinforced; and for consequential improvements in motivation and performance.

The Secretary of State for Education and Science has set as a national objective 'to raise pupil performance at all levels of ability so as to bring 80–90 per cent of all 16 year-old pupils at least to the level of attainment now expected and achieved by pupils of average ability in individual subjects'. The development of grade criteria for the GCSE, defining levels of attainment, will be a necessary pre-requisite for monitoring whether this objective is being met at national, LEA and/or school levels.

Schools' and teachers' performance

The use of public examination results as an output measurement in the appraisal and evaluation of schools and/or teachers is fraught with such obvious difficulties that it can be tempting for those professionally concerned to eschew their use completely. Yet parents and other outside interest groups will draw conclusions — often unwarranted — from schools' examination results, and schools and teachers will themselves find that methods of appraisal and evaluation that place too little weight on the examination results achieved by pupils will be inadequate. GCSE examination results, interpreted with care, ought in

the future to provide some insight into pupils' standards of learning during the compulsory, secondary phase of schooling and, therefore, contribute to the appraisal and evaluation of schools and teachers. However, much that is of value in what schools and teachers develop in pupils will, as now, not be amenable to measurement through examinations.

In any such interpretation of examination results, due allowance would have to be made for the many variables affecting pupils' performance. The DES *Statistical Bulletin 13/84*[1] identified three main sets of variables — socio-economic (eg. socio-economic group of the head of household, rate of unemployment); resource (eg. expenditure per pupil); and school-based (eg. school size, teacher turnover, parent: teacher ratio [PTR]) — and indicated the correlation between examination results and each and all of these background variables, commenting on their statistical significance. All the findings were at the level of the LEA. The bulletin described a number of difficulties regarding the interpretation of the statistical results, but nevertheless offered an analysis of examination results at local authority level which took account of the variables identified and yet revealed differences remaining and unaccounted for. The DES *Pilot Study of School Examination Performance and Associated Factors*[2] reports the results of a parallel study, employing similar analytical techniques, but at the level of the individual school. This concluded that the relationship between socio-economic background factors and examination results revealed at the LEA level also appears to operate at the level of the individual school; but acknowledged that the problem of taking proper account of socio-economic factors at school level had not been fully solved.

The Secretary of State has judged that further work of this kind would most profitably be done, if it proves feasible, at the level of the school, and has invited proposals for such work which the Department might support. A number of such proposals are under consideration.

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[1] *School Standards and Spending: Statistical Analysis: A further appreciation* (Statistical Bulletin 13/84). DES, 1984.

[2] Darlington J K and Cullen B (1984). *Pilot Study of School Examination Performance and Associated Factors* (Government Economic Service Working Paper No. 75). DES 1984.

cc BG
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PRIME MINISTER

EXAMINING A LEVELS

Nick Edwards and I are now near to finalising arrangements for our proposed review of A level syllabuses and examination procedures. We hope to make an announcement later this month.

As Chairman we would like to appoint Gordon Higginson, Vice-Chancellor of Southampton University since 1985 and previously Professor of Engineering at Durham University. He has tackled his work for the UGC with academic rigour and practical effectiveness, and he has also made an excellent start at Southampton - a good university, which has achieved a leading position in electrical engineering and electronics. We have sounded him out informally, and he would be interested in taking on the task.

FLAP PT 10

We have tightened the terms of reference as you suggested : you will see from the attached copy that these now make explicit the requirement to maintain the present character and standards of A levels and to secure consistency in subject content.

revised version @ 'A'

I propose in addition to write a letter to the Chairman following the announcement of the review, underlining these concerns and, amongst other points, encouraging the review group to consider the needs of industry and commerce as well as higher education. You will recall that Paul Channon made this point, and I share his view.

In commenting on our earlier proposal, David Young registered his concern about the need to prevent the programmes of individual A level students being too narrowly focussed. As he said, the introduction of Advanced Supplementary (AS) levels is providing a way forward here, without loss of standards. I am taking steps to promote these new exams and shall be monitoring developments closely.

I am copying this minute to Nick Edwards, Tom King, David Young, Malcolm Rifkind, Paul Channon and to Sir Robert Armstrong.

K.B.

KB
Department of Education and Science

9 February 1987

APPOINTMENTS IN CONFIDENCE

TERMS OF REFERENCE

In the light of the Government's commitment to retain General Certificate of Education (GCE) Advanced level examinations as an essential means for setting standards of excellence:

- to consider GCE A levels, in particular their course objectives, syllabus content, assessment techniques, examination procedures and standard of grading;

and in the light of that consideration,

- to recommend the principles that should govern GCE A level syllabuses and their assessment, so that the present character and standards of A levels are maintained or improved, and consistency in the essential content and the assessment of subjects is secured;

- to set out a plan of action for the subsequent detailed professional work required to give effect to these recommendations.

APPOINTMENTS IN CONFIDENCE





Education ....
Policy
Pt 11

CONFIDENTIAL

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
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FROM THE SECRETARY OF STATE

The Rt Hon John MacGregor OBE MP
Chief Secretary of the Treasury
Parliament Street
London SW1P 3AG

9 February 1987

Dear John,

Thank you for your letter of 30 January. I am grateful for your recognition that if there were eventually to be agreement on an ERASMUS programme substantially above 20 MECU over 4 years, we might consider in the Survey whether additional funds should be provided. That is helpful as far as it goes but it does not go nearly far enough.

I have to repeat what I have said before: I can see no scope within existing provision for absorbing the costs of even a 20 MECU programme in 1988-89 and 1989-90, let alone a larger one. Your reference to the size of the overall education budget will not do: as you know over 75% of that budget goes on local authority current expenditure where you would be the first to disallow any notion that potential savings - even if they were to be delivered - could be offset against additions to voted expenditure and of the remainder over 90% goes on science, the universities, student awards and local authority capital. In each of those areas, existing provision is under considerable strain and for good reasons I expect to be seeking additional provision in the Survey. The remaining £360m offers nothing like the necessary scope for redeployment to meet ERASMUS costs and must also absorb any increases in the largely demand-led costs of the expanding Assisted Places scheme and grants for repairs at church schools.

I am obliged to conclude that unless you can agree to meet the costs of ERASMUS - and I obviously accept that our objective must be to achieve a programme at the minimum size possible - we should stick to the line that we have taken hitherto notwithstanding the conclusion at the European Council. Without an explicit agreement on the financing of a programme I am unable to agree to a programme of any size, with all the risks that that entails.

I am copying this letter to the Prime Minister, Members of OD(E) and to Sir Robert Armstrong.

Yours ever

Kenneth

CONFIDENTIAL



PRIME MINISTER - for information

MEETING OF POLYTECHNIC DIRECTORS

You indicated at the diary meeting this morning that one hour was not enough for this meeting. I have therefore pencilled in a two hour slot at 5.30 on Wednesday 25 February. You have a dinner that evening at the IEA with Lord Harris but this is informal.

You have two major education meetings on that day so will not need any further briefing for the 5.30 meeting.

pp **TESSA GAISMAN**
9 February 1987

CONFIDENTIAL

PRIME MINISTER

POLYTECHNICS

Brian Griffiths suggested to you last week that it might be helpful for you to meet a few people involved with polytechnics to sound them out informally on the proposed change in their status and new Committee (PCGC). Mr. Baker favours this idea.

You have no pre-lunch or evening drinks slots available, but you could see a group of people at 1700 on Monday week, 16 February.

The people suggested are:

Malcolm Pearson	Member of the CNAA
Ray Ricketts	Chairman of the Committee of Directors of Polytechnics & Director of Middlesex Polytechnic
Ken Durrands	Director of Huddersfield Polytechnics
Dr. M. Frazer	New Chief Executive of the CNAA

Mr. Baker will also be present, with Brian Griffiths.

Content to meet this group?

Not a good time – we need longer than that to get together

DAVID NORGROVE

6 February 1987

VC2ANZ

CONFIDENTIAL

ADDRESSES SUPPLIED BY DES

Malcolm Pearson, Esq.,
Pearson, Webb & Springett Ltd.,
~~Adelaide House~~, Flat 7
~~London Bridge~~, 36 Rutland Gate
EC4R 98D SW7 584 4227

Dr. Ray Ricketts,
Rector,
Middlesex Polytechnic,
Trent Park,
Cockfosters Road,
Barnet, 440 5181
Herts,
EN4 0PT.

Professor K J Durrands,
Rector,
Huddersfield Polytechnic,
Queensgate, 22288
Huddersfield, 0484 ~~25641~~
HT1 3DH.

Malcolm
Dr. M. Frazer,
344-354 Grays Inn Road, 278 4411
London,
WC1X 8BP.
(Council for National Academic Awards)

Mr Nhargrove

Caroline
Thanks.

Polytechnics DRV
3/2

10.30 - 11.30
Wed. 25 Feb.

P/ Ed
Ld Pres
P/ Wales
P/ Scotland
Chl Ex
P/ Env

+ officials
+ YOU

CR
3/2

cc Mr Bird
Mr Chamier
Mr Stuart
Mr Holmes
Mr Gamble
Mr Syme

Mrs Wilde (UGC)
Mr. Lloyd-Jones (WOED)

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

FROM THE PERMANENT SECRETARY
Sir David Hancock KCB

Col Sir William Crawshay DSO ERD TD
Llanfair Court
Abergavenny
Gwent

3 February 1987

Dear Sir William,

UNIVERSITY COLLEGE, CARDIFF

In your letter of 12 August 1986 you gave various undertakings about the way in which the finances of UCC would in future be managed and monitored. In the event, the College produced an Academic Plan on schedule; but for a number of reasons I consider that I am obliged, in discharge of my responsibilities as Accounting Officer, to ask the College to take some further specific action. My reasons are as follows:-

i. The College's response to the Price Waterhouse report, enclosed with your letter of 27 June 1986, forecast a surplus for 1986/87. In your letter of 12 August you undertook to provide full details of the budget for 1986/87, which I had requested by the end of August. A break-even budget was provided, rather late - in December; yet very shortly afterwards - in January - we have received the College's Financial Plan which shows a projected deficit for 1986-87 of over £500,000.

ii. The Council agreed to provide adequate financial monitoring information monthly, and on 1 August my Accountancy Adviser and the Bursar discussed what would be needed. The information provided has not been what was needed and the latest formal report received by the Monitoring Group relates to October (although I understand we have today received some incomplete information relating to the period ending 31 December).

iii. The College's cash and information management system appears to be yielding misleading results, as is shown, for example, by the fact that the recorded overdraft at the end of December was £1.3 million greater than the figure contained in the Financial Plan submitted a fortnight later.

iv. The figures for UGC block grant assumed in the Financial Plan are unrealistically high. No attempt to check them seems to have been made. Accurate figures could have been obtained by means of a telephone call or letter to the UGC.

v. I am advised that there are other deficiencies in the Financial Plan, and in particular that the figures for academic staff implicit in it are not consistent with those in the Academic Plan.

2. I do not suggest that the blame for all this lies exclusively with the Bursar and his staff, but I am obliged to infer that either they or their systems of information and financial control need to be substantially strengthened. I must therefore ask the Council to appoint, without delay, a team of financial managers and accountants so that the College can secure budgetary control. The College authorities should consult the UGC about these appointments which might be made by secondments from other universities or elsewhere. The appointments and the place of the team within the College's organisation must be acceptable to the UGC monitoring group. It will be a requirement that the team report directly to the Finance Committee.

3. I do not intend to authorise payment of the next instalment of grant in respect of University College, Cardiff until the conditions specified in paragraph 2 have been met.

4. For the longer term I must ask for a review of the College's Financial Management and Information Systems and of the staffing of the Bursar's Office by independent professional advisers. The advisers must be acceptable to the UGC as well as to the Finance Committee. Further instalments of grant will not be paid until a timetable for their appointment and report has been agreed by the UGC monitoring group. The professional advisers' report should be submitted to the UGC together with the College's plans for implementation.

5. Payment of future instalments of grant will also be dependent on the receipt of adequate monitoring information by the UGC.

6. I am copying this letter to Lord Cledwyn, Lord Elwyn-Jones, Sir Peter Swinnerton-Dyer, Sir Peter Baxendell and Mr Dudley Fisher.

Yours sincerely,

David Hancock

cc Mr Bird
Mr Chamier
Mr Stuart
Mr Holmes
Mr Gamble
Mr Syme

Mrs Wilde (UGC)
Mr. Lloyd-Jones (WOED)

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Yours sincerely,

David Hancock.

CONFIDENTIAL

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

2 February 1987

Thank you for your letter of 30 January about the record of the Prime Minister's meeting of 28 January on polytechnics.

I am sure the Prime Minister would be content for the question of phasing of the transfer to the new sector to be further considered.

I am copying this letter to Tony Kuczys (HM Treasury), Robin Young (Department of the Environment) and to Mr Unwin (Cabinet Office).

David Norgrove

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

JSS4

CONFIDENTIAL

CCBG

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

FROM THE SECRETARY OF STATE

David Norgrove Esq
Private Secretary
10 Downing Street
London SW1

30 January 1987

Dear David,

cat flap

Thank you for your letter of 28 January recording the meeting chaired by the Prime Minister earlier that day. My Secretary of State has asked me to make two points.

He did not think a definite decision was taken in favour of phasing, as the words at the top of page 2 would suggest. He sees the case for doing this, but would like time to review the arguments for and against further, relating this question to the earlier point about the number of colleges to be transferred from local government. He would address this question when he puts forward the papers needed for the meeting foreseen later in February. In the meantime might the words "should be phased", which appear at the top of page 2 and in the last substantive paragraph of your letter, be taken to read "might be phased"?

He agrees generally with the point made at the end of the fourth paragraph of your letter, about the Government not controlling numbers of students on particular courses. There is however an exception here, in the case of initial teacher training, where he has a statutory responsibility for supply.

I am copying this to the Private Secretaries to the Chancellor of the Exchequer, the Secretary of State for Environment and to Mr Unwin (Cabinet Office).

Yours sincerely,

Rob Smith

R L SMITH
Private Secretary

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Education: Policy PT11

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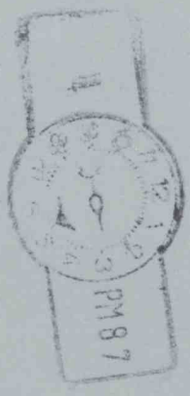



JSS4

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Mr Norgrove

I would go along with X. I did not myself regard a firm decision as having been taken - but you can presumably deal with this orally; & it is always open to DES to come back on it anyway.

3

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
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David Norgrove Esq
Private Secretary
10 Downing Street
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30/1/87

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Yours sincerely,

R L SMITH
Private Secretary

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SUBJECT cc MASTER.

file

ccBG

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

28 January 1987

FUTURE OF THE POLYTECHNICS

The Prime Minister this morning held a meeting to discuss the future of the Polytechnics on the basis of your Secretary of State's minute of 22 January. There were present your Secretary of State, the Chancellor of the Exchequer, the Secretary of State for the Environment, the Parliamentary Under-Secretary of State, Department of Education and Science, Sir David Hancock and Mr. Richard Bird (Department of Education and Science), Mr. Terry Heiser (Department of the Environment), Mr. John Anson (HM Treasury), and Mr. Unwin (Cabinet Office).

Your Secretary of State said the Directors of the Polytechnics had commissioned management consultants to advise on future arrangements for the Polytechnics. The consultants had produced two models, one in which the Polytechnics remained with local authorities, and one in which they moved outside. The majority of the Directors were likely to decide in favour of the latter.

The meeting discussed the criteria which would decide the institutions to be taken into the new sector. After discussion, it was agreed that the criterion that all institutions with more than 55% higher education should be transferred offered an acceptable way forward. It was however not entirely satisfactory since the proposed Polytechnics and Colleges and the Committee (PCGC) would be expected to deal with a large number of quite small institutions. The position of the Kent College for the Careers Service, with 46 students on higher education courses (full-time equivalents), looked particularly anomalous, and it would be worth considering whether alternative arrangements could be made, for example, by amalgamation. The advantages of transferring into the new sector the voluntary and other Colleges already directly funded had not been decisively established: the inter-position of the PCGC between those Colleges and Central Government would not for example necessarily protect Central Government from undesirable pressures. Whether it would be

CONFIDENTIAL
-2-

right to change their status should be further considered. It was further agreed that the movement of institutions into the responsibility of the PCGC should be phased in order to give time for the new committee to establish itself.

The meeting considered the duties proposed for the PCGC (paragraph 6 of Annex IV of your Secretary of State's minute). It was agreed that these should be spelled out in greater detail. The powers and responsibilities of the Committee needed to be specified more clearly, and the factors to which they would have regard in their decision-taking should also be set out. The general powers proposed would risk on the one hand giving the Committee greater scope to become a pressure group, and on the other hand giving it the ability to interfere in the detailed running of the Colleges. (In this connection it was noted that Central Government should control the finance it provided itself, but not numbers entering Colleges in total or taking particular courses: it should be up to the Colleges themselves to decide how many students they could take in with the resources available to them.)

It was agreed that the arrangements for determining pay in these institutions should be further considered, together with the handling of the transition to local negotiations. It was further agreed that outstanding issues on finance should be discussed between the Department of Education and Science, the Treasury and the Department of the Environment. The Prime Minister noted that in some cases extra finance could help to secure acceptance of major reforms, but money which was already being spent by local authorities on higher education should not be made available for spending on other things as a result of this reform.

On arrangements for institutions remaining with local authorities, it was agreed that the PCGC should be empowered to purchase from LEAs the courses for which they had had planning responsibility, the Committee should however be allowed the choice in particular cases.

The meeting noted that the quality of some of the degrees certified by the CNAA was very low. It should be a high priority to raise standards.

Summing up, the Prime Minister said the meeting warmly endorsed the broad thrust of your Secretary of State's proposals, but some aspects remained to be worked out in greater detail. This further work should be carried out in close consultation with the Department of the Environment and the Treasury. The principle should be followed wherever possible that money would go with the student. The meeting had endorsed the criterion that all institutions with more tha 55% higher education should be transferred. This transfer should be phased. A further note should be prepared on the advantages and disadvantages of transferring voluntary and other Colleges already directly funded. Secondly, the powers and responsibilities of the PCGC, and the criteria which it would follow, should also be set out in a further note: in the terms of company law, this should

include the memorandum and articles of association. Thirdly, a paper should be circulated on how pay would be determined under the new regime, and how the transition to the new system of pay determination would be handled. Outstanding issues on finance should be discussed separately, bearing in mind the comments the Prime Minister had herself made on this. The Prime Minister invited your Secretary of State to explain the proposals to the Secretaries of State for Wales and Scotland. There could be implications for Wales in particular, and the Secretary of State for Scotland was considering changes in the Scottish arrangements. A further meeting of the group should be held if possible by the end of the third week of February, to include the Secretaries of State for Wales and Scotland, and the Lord President, with a view to publication of the new proposals in a White Paper in April. The Prime Minister invited your Secretary of State to circulate a draft of the relevant chapter of the White Paper for the next meeting of the group.

I am sending copies of this letter to the Private Secretaries to the Chancellor of the Exchequer, the Secretary of State for the Environment, and the Parliamentary Under-Secretary of State, Department of Education and Science, and to Mr. Unwin (Cabinet Office).

David Norgrove

Rob Smith Esq
Department of Education and Science.

28.1.87

10 DOWNING STREET

PM

N BPM
(PM already seen)

Do read the Independent report on ILEA!

BL

THE INDEPENDENT

Surplus teachers amid shortage in London schools

By Simon Midgley

WHILE SOME inner London comprehensive schools are crying out for teachers, many others are overstaffed. For more than two years the Inner London Education Authority has been trying to redeploy surplus teachers but has been prevented by London teacher associations.

Ilea, Britain's largest education authority, facing an unprecedented budget deficit of £125m, is being urged by its educational advisers to take urgent action to relocate surplus teachers.

In some areas of the capital, schools with surplus teachers in shortage subjects such as maths, physics and chemistry stand alongside those with vacancies in the same subjects. Ratepayers are facing an estimated £19m bill for overstaffing in the coming financial year.

The overstaffing, described by one union official as "an unbelievable scandal," has arisen because, while the number of pupils has been falling, the number of teachers has not shrunk proportionately.

Up until 1984, staff were moved by a mixture of voluntary and compulsory redeployment. In 1985 the authority abolished compulsory redeployment after pressure from several of the London associations of the national teachers' unions. The number of "teachers above authorised numbers" has trebled between 1983-4 and 1986-7. In 1983-4, 46 teachers moved voluntarily and 68 were directed to move. Last year only three moved voluntarily.

Dick North, an officer of the Inner London Teachers Association which represents 13,500 National Union of Teachers members (he is currently suspended by the union for leading unofficial strike action) said: "As far as we are concerned, there is no London school that is overstaffed in the terms which we understand it ... which means the necessary staff to carry out the educational work.

"Our policy is to try and keep as many teachers in the schools as is possible," he said.

One London head said: "Basically, Ilea members have been very careful not to offend members of the London NUT because they are in the same Labour Party branches as these folk. The authority has been far too teacher-orientated rather than pupil-orientated. It makes managing the schools very difficult."

A recent and confidential Ilea survey reveals that one school has a surplus of more than 40 teachers, three have surpluses of more than 30 each, five have more than 20, 14 have more than 10 and 87 are overstaffed by up to nine.

The authority estimates that by March next year, there could be more than 1,300 teachers surplus to the needs of individual schools, mainly in secondary education. Some teachers are only teaching quarter and half week timetables. The authority estimates that at about the same time, it could have as many as 1,000 unfilled vacancies for primary school teachers.

The survey reveals that although there are 37 surplus maths teachers in inner London, there are vacancies for 29 maths teachers elsewhere in the authority.

Although there are 36 surplus science teachers, there are 21 vacancies for science teachers elsewhere in London. Although there are 10 surplus craft, design and technology teachers in inner London, there are 21 vacancies for such teachers in other Ilea schools.

Shirley Williams, page 17

Crisis as Ilea faces £80m cuts under new law

THE largest local education authority in Britain, the Inner London Education Authority, is facing an unprecedented financial crisis, **Simon Midgley writes.**

Possible cuts of up to £80m in its expenditure in the coming financial year could mean that:

- Two-thirds of all vacancies, including teaching, clerical and ancillary posts, will not be filled;
- There will be compulsory redeployment of teachers from over-staffed schools to schools with teaching vacancies;
- Cuts of up to 60 per cent in supplies of material and equipment;
- Funding to out-of-school support services, such as field studies centres, will be reduced;
- Transport for children attending schools for pupils with special needs will be abolished.

The financial crisis will follow if the Government's Local Government Finance Bill becomes law without significant amendments.

One of its provisions determines the amount of money, £942m, that the authority can levy in rate income. The limit means that Ilea will face an income deficit of £125m — a 12 per cent cut.

This could be reduced to between £50m and £80m once balances from this year's spending are taken into account, but the authority still faces the most serious crisis since it was established in 1964.

Barry Stead, chairman of Ilea's schools sub-committee, said yesterday: "I just do not think that the people who have fixed that figure [the amount of money the authority is able to raise from the rates] have any conception of the effect on children."

One of Ilea's biggest headaches is an estimated £19m bill for teacher over-staffing, mainly in secondary schools. Because of union opposition, it has been unable to move teachers from overstaffed schools to schools with vacancies.

Peter Dawson, general secretary of the Professional Association of Teachers, said: "The policy of Ilea is to allow the dominant teacher unions more or less to tell them what to do, and they find it virtually impossible to move teachers."

A confidential Ilea document prepared for the imminent annual revenue estimates reveals that the authority is considering reclaiming its power to move staff compulsorily .

The document suggests that it would be possible to redeploy 375 teachers this September and another 125 next January.

The authority is considering working to a timetable of priority action. First, voluntary transfers would be encouraged with a payment of a £1,000 disturbance allowance. Second, teachers would be offered the opportunity to retrain in shortage subjects, or as nursery, primary, special educational needs or English as a Second Language teachers. Finally, teachers would be compulsorily redeployed and paid a disturbance allowance of £1,000.

MONDAY, JANUARY 26, 1987

CC/BLUP

CONFIDENTIAL

P 02459

From: J B UNWIN
26 January 1987

MR NORGROVE

FUTURE OF THE POLYTECHNICS: IMPLICATIONS FOR SCOTLAND & WALES

May I add a short postscript to my brief for the Prime Minister of 23 January.

2. In view of the sensitivity of the subject, there has been no discussion so far with the Scots or Welsh. But assuming the Prime Minister wishes to take the proposals forward after tomorrow's meeting, lines with them ought to be cleared very quickly.

Wales

3. I doubt whether there will be many complications here. There is only one Polytechnic and probably only one or two other institutions which would meet the DES criterion for transfer. But the Welsh Secretary may want to propose a separate set-up for Wales (rather than bringing them under the proposed PCGC), and this needs to be resolved quickly.

Scotland

4. The potential problem here is different. There is no need to read across to Scotland from the proposed changes in England. The Scottish system is already different; the major Polytechnics and many other higher education institutions are already funded directly from the Scottish Office and are thus out of local authority hands. But there is an unresolved wider question of how to handle the Scottish University system as a whole. The so called STEAC report of some 18 months ago recommended that Scottish universities together with other higher education institutions should pull out of the present UK system and come

under a new Scottish Higher Education Council. The Croham Report, without addressing this in detail, is opposed to it, but Mr Rifkind has not yet revealed his own conclusions.

5. On the face of it, this ought to be sorted out before any White Paper on higher education and the future of the Polytechnics is published. At the very least, early consultation should take place with the Scottish Office.

Handling

6. I suggest, therefore, that the Prime Minister should consider authorising Mr Baker after tomorrow's meeting to consult urgently on a discreet basis with the Scottish and Welsh Secretaries. This would enable senior DES officials to talk on a need to know basis to their opposite numbers. The Territorial Secretaries could then be added to any further meeting of the Prime Minister's present Group (say, towards the end of February), and should then be on board for when the issue went to H Committee or some equivalent wider Ministerial forum.

J B UNWIN

Cabinet Office


26. II.
PM 8 7

CC BKUP

PRIME MINISTER 26 January 1987

FUTURE OF THE POLYTECHNICS

Polytechnics have for some time needed a change in status for two reasons:-

(a) their inability to manage their own affairs because of local authority intervention;

(b) the threat from the Left; both from the prospect of appointments and curricula being subject increasingly to Left-wing councils and through home grown departments (such as of PNL) over which CNAA has exercised precious little control;

The proposals from DES are a great improvement on their initial submission. They sever the crucial links between the LEA's and the poly's and achieve totally the objectives of management independence and freedom from local political control.

The proposals, nevertheless, raise three broad issues.

First there are a number of matters of detail. Much of the content of the DES papers is taken up with details of the selection of institutions, financial arrangements etc, which are basically second-order issues, but on which it is important to reach definite conclusions.

Second and of more long term importance, there is the division of powers between the institutions, the PCGE and the Secretary of State. In order to ensure that the institutions do in practice have maximum management freedom and that the PCGE does not become a planning body concerned with detailed allocation of student numbers in each subject of each institution, (such as the UGC) and which therefore dampens enterprise, it is important that the powers of the PCGE are limited.

Third there is the role which the CNAA will play under its new charter and statutes in order to prevent the Marxist Left from taking over departments and institutions.

Minor Issues

Selection of institutions for transfer (Annex I)

The crucial objective in devising a criterion for those institutions selected for transfer has been to avoid hybridity. Short of transfering the whole of PSHE out of local government, any criterion is bound to be arbitrary and lead to local political controversy and lobbying. The proposed rule - namely all institution units more than 55% students in higher education - is as good as any.

Finance (Annex II)

These details are for the DES to battle over with the Treasury. The only point which jarred was para 11 in which the Government states that there will be no topping-up when it announces the policy. It is important to avoid the opposition that came over student loans, because people had so little time in which to make this adjustment. The longer institutions can have to plan for a changed world, the better.

Powers and Constitution of the PCGE

(a) The powers of the PCGE (paraas 6-10, Appendix IV) are potentially all embracing.

Para 8 "The conditions and requirements on the basis of which the PCGE will make grants will have to be set out in financial memoranda agreed between the PCGE and the institutions and approved by the Secretary of State".

Although it is said in para 9: "It is not proposed that the PCGE should possess legal powers ..... to approve and set student numbers for individual courses" nevertheless in that paragraph it subsequently vests enormous power in the PCGE.

Is there not a case for stating explicitly that the PCGE does not have the power to set numbers for individual courses at individual institutions. You may ask the Secretary of State whether or not this is an area in which it is possible to introduce per capita funding.

(b) Nowhere is the Constitution and Membership of the PCGE laid out in detail. The Council of CNAA has 38 members, 30 of which are in full-time education! It is important that the PCGE has a majority of lay people and that its constitution is approved by you.

The Role of the CNAA

The Lindop Committee was set up because of the Government's concern to raise and safeguard academic standards throughout the education system.

In implementing the conclusions of Lindop, however, the role of the CNAA is being changed in important respects.

The key questions to put to the Secretary of State are:-

(a) will the post-Lindop CNAA be able to tackle a PNL situation in a way in which the pre-Lindop CNAA failed? In particular what extra powers or what improved organisation control over academics does CNAA have?

(b) What precisely are the changes in the powers which

are being made to the CNAA? Will the CNAA in future be able to veto individual courses?

My impression is that CNAA is being weakened and diluted by the present changes which the Council proposes to put to the Privy Council in March. The fundamental problem is that the Council is dominated by the academic world (30 out of 38 members) and that until its composition is changed to redress this balance it will continue to be a producer-driven body which basically underwrites proposals put forward by academics from individual institutions.

BRIAN GRIFFITHS

CONFIDENTIAL

PRIME MINISTER

POLYTECHNICS

There are two papers by DES here: one on removing polytechnics from local authorities; the other on the LNAA as proposed by Brian Griffiths. The latter is entirely bland and Brian will no doubt be commenting on Monday.

I have agreed, subject to your views, that the usual officials may attend this meeting.

(DAVID NORGROVE)
23 January 1987

CONFIDENTIAL

P 02454

PRIME MINISTER

Future of the Polytechnics
(Meeting on 27 January to discuss the Education Secretary's minute of 22 January)

DECISIONS

In order that further detailed work may proceed quickly, decisions will be required on:-

(i) the proposed criterion for selection of institutions for transfer from local authorities (Annex I to Mr Baker's note);

(ii) the financial arrangements for current and capital spending (Annex II);

(iii) the treatment of higher education remaining with local government (Annex III):

(iv) the distribution of relevant powers (ie between the institutions, the Polytechnics and Colleges Grants Committee (PCGC) and the Government after transfer) (Annex IV);

(v) whether the proposals should be included in a short White Paper in early April (Annex V);

(vi) how further work should be carried forward.

BACKGROUND

2. At your initial discusion on 26 November you welcomed Mr

Baker's proposals in principle and asked him to develop them further. The essence of the proposals was removal of polytechnics and a defined category of other higher education (HE) institutions from the control of local authorities and the creation of a new grants council (the PCGC) for them. You therefore asked Mr Baker to work up the proposals in greater detail and in particular to consider further:-

(i) the criterion for selection of the insitutions, in particular bearing in mind the problem of hybridity;

(ii) the financial aspects;

(iii) the question of the powers that would be exercised at the level of the polytechnics and by the PCGC.

3. You also noted that, before final decisions were taken, there would need to be discussion of how all the various current proposals in the education and other sectors would affect local government. You agreed, however, that it might be reasonable to work towards publication of a White Paper in the spring.

4. The main points relating to the polytechnics proposal (though not the wider local government dimension) are covered in Mr Baker's minute and its Annexes. They are discussed briefly in the following paragraphs.

MAIN ISSUES

(a) Selection of Institutions

5. This is dealt with in Annex I. You will recall that the original proposal was a slightly complicated one under which transfer would apply to institutions with more than 50 per cent HE and a somewhat involved qualification relating to the number of students on full-time or sandwich degree courses or pre-service teacher training courses. On the data then available this would have covered a mixiumum of 52 institutions presently receiving

their funding from LEAs. It inevitably, however, produced some anomalies at the margin, and posed potential problems of hybridity.

6. The new proposal (in fact suggested by the Treasury) is much simpler. It is that all institutions with more than 55 per cent HE should be transferred. This covers all the LEA institutions previously proposed for transfer plus 15 more. The outcome is listed at Annex I. The advantage is that the definition is simple and clear and (though this has not yet been tested) ought to minimise the risk of hybridity. The disadvantage is that it would include some very small institutions and protests would no doubt be registered by others excluded who thought they had a better claim. For example, the Writtle College of Agriculture, with 55 per cent HE and only 307 students would be included; whereas the London Institute, with 47 per cent HE and 3,157 students would be excluded. The choice, therefore, is between greater simplicity and excluding some of the odder candidates at the risk of complication and possible hybridity.

(b) Financial Arrangements

7. These are described in Annex II, which is the outcome of discussion between DES and the Treasury. There is a convenient summary at Appendix A to that Annex. In brief, as previously envisaged, the bulk of the cost of funding the selected institutions would be recovered by reductions in the Government's provision for local authority expenditure. Thus the switch of recurrent costs would be cost neutral - some £750 million would be transferred to central Government Vote and offset by a reduction in AEG. Two issues, however, remain unresolved:-

(i) how to deal with "topping up" payments by local authorities. To lubricate the change, DES propose a transitional phasing out of topping up payments which would cost (at the maximum) some £20, £12 and £5 million in the first 3 years and (in DES view) should be borne by central Government. The Treasury naturally argue that the cost should be met either by a further deduction from AEG or by a

reduction elsewhere in the DES programme;

(ii) capital expenditure: the issue here is how much should be deducted from the present overall provision for local authority capital expenditure. The Treasury argue that the transfer should be made cost neutral, by deducting the actual annual capital expenditure at the transfer date (£50 million). DES and DOE, however, propose that only the £40 million element of provision attributable to the transferred colleges should be deducted, on the grounds that local authorities should not be penalised for decisions properly within their discretion to vire capital provision to HE from other purposes. This would leave £10 million to be covered by additional grant.

8. Mr Baker's covering minute states that these differences "are not large relative to the total sums at stake" and do not need to be resolved at your meeting. He plans to pursue them further with the Chancellor and the Environment Secretary. But the amounts are not negligible/you will want to consider whether you should give a firm steer at your meeting. If you support the approach of the Treasury - who are increasingly worried about erosion of the recent Public Expenditure White Paper figures - this would be that all the financial arrangements should be on a cost neutral basis.

(c) Arrangements for Institutions Remaining with Local Authorities

9. Under the proposed changes about 70 of the 370 LEA institutions currently providing HE would pass out of local authority control, but they would amount to over 80 per cent of current HE. The key issue for decision is whether the PCGC should have any responsibility for HE in the remaining LEA colleges, and if so, how much; or whether the remaining LEA colleges should be left to provide HE completely outside the writ of the PCGC. The Education Secretary's proposal is that responsibility should be shared. The detailed split is set out in Annex III, and summarised in

paragraph 5 of that Annex. In sum, the PCGC would retain responsibility for planning and funding (out of the transferred AEG) all degree and degree related work. The effect of this would be a broadly 50:50 split of responsibility for students on HE courses in the remaining LEA colleges.

10. As Mr Baker's covering minute (paragraph 4) says, this arrangement will inevitably give rise to some awkwardness. There will be some difficult dividing lines, and opponents of the proposals will no doubt be quick to spot anomalies. But there is an underlying logic in the proposal and, as Mr Baker also observes, difficulties ought to diminish as higher education becomes more concentrated in the new sector and non-advanced FE in the local authority sector. At any rate, there seems a case for at least starting off in the proposed White Paper on this basis - perhaps with a greenish edge on some of these proposals.

(d) Division of Powers between the Insitutions, the PCGC and the Government

11. The detailed proposals on this are set out in Annex IV. In general, the arrangements are designed to give the new institutions, subject to the powers of the PCGC, a high degree of independence and autonomy, but not as much as the universities. The main elements of the proposed division are:-

(i) institutions: they would be independent legal entities, with powers to manage their assets and current resources, recruit, deploy and manage staff, and carry out teaching and research. They would, however, be accountable to the Secretary of State for their conduct and, through the PCGC, for their use of public funds, and to the CNAA or validating university for the standard of their courses. Voluntary and other colleges already receiving direct grant from DES would under the new regime be treated in the same way;

(ii) PCGC: in addition to its duty to advise on the needs of public sector HE generally, and to plan the educational provision in the sector and encourage good management, its main powers will relate to the allocation of funds to the individual colleges, in accordance with conditions and requirements agreed with the institutions and approved by the Secretary of State. It will be able to earmark funding for specific purposes, and to withhold grant for specified reasons (eg where institutions refuse to cooperate in implementing planning decisions). Its own Chief Officer would be Accounting Officer for the grants to institutions;

(iii) Government: the Secretary of State would retain substantial powers and in particular would determine the aggregate recurrent and capital sums to be made available for the PCGC to distribute. The Secretary of State will also be able to issue general guidelines on the main areas of the PCGC's planning work, and earmark funds for particular purposes where necessary. It is also proposed that the Secretary of State should be empowered to approve, or even impose, the initial Governing Instruments of the institutions and to have a power to intervene or initiate change if this seemed necessary in the public interest

12. For the most part the above division seem a sensible basis on which to proceed for the purposes of the White Paper. I think, however, that you will want to know more about the proposed treatment of pay and conditions of service. This is dealt with only very briefly in paragraph 4 of Annex IV, but in fact entails a major change. It would be in accordance with the general spirit of this and related reforms to give the institutions the power to negotiate pay and terms and conditions of service on their own. Buy this reform provides an opportunity to put this important change on a sound footing, and you may wish to ask the Secretary of State, in consultation with the Treasury and the Department of Employment to bring forward more detailed proposals on this separately.

(e) Draft White Paper

13. Annex V contains a possible draft section on polytechnics for a short White Paper on higher education. The intention is to include in the White Paper other material on student numbers over the next decade and the "continuing need for good management in the interests of quality and efficiency". The draft seems accurately to embody the proposals discussed above in a fairly low key way. I think you will want to revert to this in the light of decisions on the key points of substance, and any further work commissioned. It would not seem profitable to spend time going through it in a drafting session at this meeting. You will, however, want to consider further the timing in relation to other events and possibilities. Mr Baker's proposal is publication "in the first days of April". Perhaps for the time being it would be sensible to aim for publication by Easter. Nearer the time you will also want to consider whether some of the edges should have a green tinge.

(f) Handling of further consideration

14. In paragraph 9 of his minute Mr Baker seeks your guidance on how matters should be carried forward. At some stage it may be sensible to put the worked up proposals to H Committee (which has considered some of the previous education reforms) before final approval by Cabinet. But there would seem advantage in having at least one more meeting of this Group under your chairmanship to consider a revised version of the White Paper and to ensure that major points of difficulty (eg the financial and pay arrangements) have been satisfactorily resolved. This would also give an opportunity to consider the scheme in relation to other possible education developments and the Education Secretary's reactions to the Croham Report; and also to look again at the proposals in relation to other reforms affecting local government. The latter is most important and you might wish to ask the Environment Secretary to produce a short paper for the next meeting which might be scheduled for, say, towards the end of February. If all went well, it should then be possible to seek wider collective

approval (say, in H Committe) in mid-end March, prior to publication of the White Paper in early April.

HANDLING

15. You will want to ask the Education Secretary to introduce his proposals. The Chancellor of the Exchequer will no doubt wish to comment on the financial and pay aspects, and the Envioronment Secretary on the implications for local authorities and the Rate Support Grant arrangements.

J B UNWIN

Cabinet Office
23 January 1986

PRIME MINISTER

FUTURE OF THE POLYTECHNICS

On 26 November we agreed that the polytechnics should be taken out of local government. This minute and its attachments seeks to resolve some of the consequential matters.

2. We have to settle firmly which institutions should come into the new sector, of which the polytechnics would be the leading element. Annex I sets out the position which I have now developed. I have simplified the criterion for determining which institutions should be removed from local government - namely all those with over 55% HE. This should be a powerful help towards avoiding hybridity.

3. Annex II deals with finance, describing the position reached following discussion between officials of my Department, the Treasury and DOE. There is agreement that the great bulk of the cost of funding the new sector should be recovered by reductions in the Government's provision for local authority expenditure. Annex II, however, records differences of view about the treatment of certain transitional recurrent costs, and about capital expenditure. These differences are not large relative to the total sums at stake, nor do we need to resolve them at your meeting. I plan to pursue them with the Chancellor and the Environment Secretary, and will report further as necessary.

4. When we last met, we only briefly touched upon the treatment of the higher education which would necessarily continue in colleges remaining in the hands of local authorities. Annex III sets out how I suggest this be dealt with. There is inevitably some awkwardness here, with the new Grants Committee having an interest in some local authority colleges and some local authority interest in provision in the new sector. But the position should be no worse than the present

one, where the National Advisory Body is involved in much detail in colleges whose chief interest is not higher education. With time, moreover, any difficulties should diminish, as higher education comes to be concentrated in the new sector and non-advanced further education in the local authority sector. For immediate purposes I commend the way in which I propose that the cake should be sliced.

5 I was also asked for a further paper on how the exercise of the relevant powers would be distributed. This is at Annex IV.

6. A question also arose as to how much research should be done in polytechnics. I propose no change from their established remit, namely that they should work closely with industry and their engagement with research should be at the applied end of the range. This is one reason why I am strongly in favour of a Polytechnics and Colleges Grants Committee separate from the University Grants Committee: we must not risk the distinctive remit of the polytechnics becoming lost or blurred.

7. I have been giving more thought to how the Government should announce its intention of making these changes. I see them as the main plank in quite a short White Paper on Higher Education, which we might aim to publish in the first days of April. Work is in hand in my Department on other material for a White Paper, dealing especially with student numbers over the next decade or so and with the continuing need for good management in the interests of quality and efficiency. At Annex V is an indication of how I think the part of the White Paper dealing with the transfer of the polytechnics might look.

8. What, then, I hope we may particularly settle next week is

(i) that all institutions with more than 55% HE should be transferred from the local authorities, the resulting

list for the new sector being that in Annex I;

(ii) that there is a satisfactory way forward on finance, as discussed in Annex II; the outstanding small differences to be resolved interdepartmentally;

(iii) that treatment of the HE remaining with local government should be as discussed in Annex III;

(iv) that we should go for a White Paper in early April, which would include an announcement on the lines of Annex V.

9. If matters seem to be well positioned by all this, perhaps we may speak on 26 January about how you would like the business carried forward. It has of course a close relationship with other possible developments on education which we are still discussing; also with what should be done in the light of the Croham Report on the UGC, which I have just recently received. I would welcome your guidance on the timing of any wider involvement of colleagues, through H Committee or otherwise.

10. I am sending copies of this to the Chancellor of Exchequer, the Secretary of State for the Environment and to Sir Robert Armstrong.

KB

Department of Education and Science 22 January 1987

ANNEX I

FUTURE OF THE POLYTECHNICS: SELECTION OF INSTITUTIONS FOR TRANSFER FROM LOCAL AUTHORITIES

1. Officials have reviewed the definitions by which local authority institutions will be selected for transfer to the new sector, to take account of new statistics and also to see if the definitions could be simplified. The new statistics are on a firmer basis than those available when the papers which the Secretary of State sent to the Prime Minister on 27 October were prepared. They will not be superseded before September 1987 and will be used for the selection of institutions in the proposed White Paper and the succeeding legislation.

2. The new statistics are not significantly different from the previous figures. However, they make the previous definitions look slightly arbitrary, in that a few institutions move very close to the cut-off points. One option is to change the figures in the definitions to restore as much clear water as possible between those institutions selected for transfer and those not. However it would be simpler and would minimise the risk of hybridity, to use a single definition - the proportion of higher education in the institution. It is now proposed that all institutions with more than 55% higher education should be transferred to the new sector: 55% represents a clear majority of higher education work as well as providing clear water between those institutions qualifying and those not.

3. This new definition covers all the LEA institutions previously proposed for transfer plus 15 more namely:

a. 9 monotechnic art and design colleges, largely engaged in full-time degree work:

Exeter College of Art and Design
Falmouth School of Art and Design
Kent Art Institute
Loughborough College of Art and Design
Norwich School of Art
Ravensbourne College of Design and Communication
W Surrey College of Art and Design
Wimbledon School of Art

Winchester School of Art

b. 6 other colleges with a high percentage of higher education:

Kent College for the Careers Service
Royal N College of Music
Slough College of Higher Education
Southampton Institute of Higher Education
SW London College
Writtle College of Agriculture

Some of the colleges are small and meet specialist needs. It would complicate the definition and so increase the risk of hybridity to exclude them.

4. A full list of the LEA institutions for transfer is attached at A. A list of voluntary and other colleges already directly grant-aided which are intended also to come under the PCGC is at B. A list of the main LEA higher education institutions not proposed for transfer is at C. The lists incorporate the new statistics.

A. LEA INSTITUTIONS TO BE TRANSFERRED

a. Polytechnics (29)

% of total FTE students on higher education (HE) courses		total no of students on HE courses (FTEs)
100	Portsmouth	6299
	NE London	5222
99	Sheffield	8516
	Trent	8224
	Middlesex	6798
	Leicester	6621
	Wolverhampton	5328
	Hatfield *	4738
	Oxford	4641
98	Newcastle	7398
	Liverpool	7037
	Bristol	6641
	Kingston	5616
	Lanchester	5559
	North London	4862
97	Leeds	6626
	Birmingham	6295
	Brighton	5294
	North Staffs	5022
	Lancashire	4748
	Thames	4740
	Huddersfield	4737
	Plymouth	4571
	Sunderland	4151
	Teesside	3531
96	Manchester	10821
	South Bank	5851

95	Central London	4692
86	City of London	4358
	Total	168,937

* includes Herts CHE student numbers - merging in 1987

b. Other LEA Institutions (39)

% of total FTE students on higher education (HE) courses		total no of students on HE courses (FTEs)
100	Crewe & Alsager	1989
	Edge Hill	1736
	Worcester	1194
	Bulmershe	1100
	North Riding	658
	W Midlands	586
	Garnett	578
	Royal Northern College of Music	476
	Charlotte Mason	437
	Camborne School of Mines	250
	Rose Bruford **	170
	Kent College for the Careers Service	46
99	Rolle	840
98	W Sussex	1273
97	Dorset	2232
	Bretton Hall	797
95	Dartington	279
93	Bath	1185
91	Bolton	2083
90	W London	1770
89	Humberside	3213
87	Ealing	2631
81	Derbyshire	2176
79	Essex	2032
	Norwich SA	236
78	Exeter CAD	316
77	Central School for Speech and Drama **	244
74	W Surrey CAD	544
	Ravensbourne CDC	407
73	Southampton	1999
	Wimbledon SA	255
	Winchester SA	229
66	Loughborough CAD	400
64	Slough	1377

62	Kent Art Institute	889
61	Nene	1877
	SW London	913
58	Falmouth SA	127
55	Writtle Coll of Ag	307
	Total	39,851

** merger with London Institute (not for transfer) under consideration

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B. VOLUNTARY AND OTHER COLLEGES ALREADY DIRECTLY FUNDED

a. Voluntary Colleges (17)

% of total FTE students on higher education (HE) courses		total no of students on HE courses
100	Ripon & York St John	1671
	King Alfred (Winchester)	1187
	Chester CHE	1049
	Christ Church (Canterbury)	990
	St Martin's (Lancaster)	890
	La Sainte Union (Southampton)	673
	Westhill (Birmingham)	514
	Bishop Grosseteste (Lincoln)	436
	Newman (Birmingham)	425
99	Roehampton	2868
98	Liverpool IHE	1581
96	Trinity and All Saints (Leeds)	1067
94	St Mary's (Twickenham)	1177
93	Westminster (Oxford)	636
90	St Paul & St Mary (Cheltenham)	1196
	Homerton (Cambridge)	405
80	St Mark & St John (Plymouth)	776
	Total	17,541

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b. Other direct grant colleges (9)

% of total FTE students on higher education (HE) courses		total no of students on HE courses
100	Royal College of Music	573
	Royal College of Art	552
	Royal Academy of Music	526
	Trinity College of Music	380
99	Goldsmiths'	3013
98	Seale Hayne Coll of Ag *	586
96	Royal College of Nursing	157
93	Harper Adams Coll of Ag	596
57	Shuttleworth Coll of Ag	136
	Total	6519

* merger with Plymouth Polytechnic under consideration

C. LEA INSTITUTIONS WITH OVER 200 FTS HIGHER EDUCATION STUDENTS TO REMAIN WITH LEAs (34)

% of total students on higher education (HE) courses		total number of HE students (FTE)
49	London Institute	3157
	Luton	1218
48	Harrow	924
47	Salford	1612
45	Cambridgeshire CAT	1480
	Bucks CHE	1305
42	Epsom SAD	206
41	Bournemouth & Poole CAD	243
36	Gloucester CAT	1842
35	Croydon	1314
	Farnborough	888
33	Bedford	997
32	NE Surrey	751
31	Birmingham CFDA	384
27	New Durham	739
	Watford	498
26	Bradford & Ilkley	1513
	Mid Kent CHFE	966
	Stockport CT	915
	Doncaster Met	891
25	Norwich City CFHE	963
24	N Cheshire	465
23	W Bromwich	618
22	Suffolk CFHE	740
21	Coventry Tech	358
20	Highbury COT	697
19	Colchester IHE	609
17	S Tyneside	569
16	Hammersmith & W London	474
	Brighton CT	342
14	Blackpool & Fylde	631
13	Cornwall CFHE	410
	S Devon CAT	353
12	Newcastle CAT	444
	Total	29,516

ANNEX II

FUTURE OF THE POLYTECHNICS: FINANCE

1. This paper deals with the financial effects of transfering the polytechnics and other large higher education (HE) colleges out of local authority control.

Present System

2. HE in England, outside the universities, is largely provided by local authorities. Because it is national in character, its costs are pooled across all LEAs. Each contributes in proportion to the number of HE students for which they are responsible. Most recurrent costs, net of income from fees etc, are met from a "capped" pool. The Secretary of State for Education and Science, after consultation with the local authority associations, decides in advance the total size of the pool or "quantum," and those authorities responsible for HE institutions draw from the pool in accordance with determinations made by the Secretary of State on the advice of the National Advisory Body (NAB). Pooled expenditure is relevant for RSG, and local authorities' pool contributions are taken into GREs at their actual value. There are also other, open, pools covering debt charges on past capital expenditure and the costs of redundancy and premature retirements for former HE staff. In addition, some authorities "top up" the pool allocations to their own institutions; the total for the institutions proposed for transfer amounted to some £43m in 1984-85, the latest year for which full figures are available. This is not covered by GRE, and hence not taken into account in the distribution of block grant. Few institutions underspent allocations (underspending was about £3m in total, within the margin of error of the estimates).

3. New capital expenditure on HE comes within the local authority capital control system. Authorities may incur capital expenditure within their prescribed expenditure allocation, normally financed through borrowing. This may be supplemented by further expenditure financed from capital receipts.

4. DES pays grants direct to about 30 colleges: 26 of these, including 17 voluntary colleges which are mainly concerned with teacher training are to come under the new sector. Total planned expenditure on these 26 colleges, including capital grant, is expected to be about £90 million in 1987-88. It is proposed that their planning and funding would be transferred to the proposed Polytechnics and Colleges Grants Committee (PCGC). This

has no effect on local authority finance: it amounts to an internal transfer of expenditure between Central Government votes.

Financial categories

5. The effects of the proposals can best be considered in the following categories:

(a) recurrent costs currently met through capped and open pools;

(b) other recurrent costs; and

(c) capital expenditure.

A summary of findings is at appendix A.

Pooled recurrent costs

6. Total expenditure expected to be covered by the capped and open pools in 1987-88 amounts to £836.5m (£716.5m for the capped pool; £94m for the pool for debt charges on past capital spending; £26m for the other open pools). The institutions selected for transfer from the local authorities are responsible for 83% of this. Of the remainder, it is now proposed (see Annex III) that the PCGC should become responsible for funding degree and certain sub degree work, amounting to about half of the local authorities' remaining HE work. This would mean that the PCGC would become responsible for 91% of recurrent HE expenditure.

7. The Prime Minister's meeting on 26 November agreed that Aggregate Exchequer Grant would need to be reduced by the full amount of the sums transferred to avoid altering the balance between national and local taxpayers. A 91% transfer to the PCGC would make AEG 44.8% of remaining provision for LA current expenditure, instead of 46.3% of existing provision. The position is complicated by the fact that certain items need to be treated in a different way from now because of the status of the institutions proposed for transfer would change. They are:

(i) value added tax. Local authorities are exempt from VAT, and therefore LEAs currently normally recover VAT payments made by their colleges. This would no longer apply once the institutions become

free standing corporate bodies. To preserve the present financial position, the institutions would have to be reimbursed for VAT. There are precedents: the voluntary colleges, which are directly grant-aided, have to pay VAT but receive additional grant to match it. On the basis of the VAT payments by voluntary colleges, the sums involved for the polytechnics and other colleges to be transferred would be some £18-£20m a year. To ensure a neutral effect on the institutions in the new sector their funding should be increased by the additional amounts which the Government would raise in VAT. While this increased funding would add to public expenditure, the effect on the PSBR would be neutral.

(ii) Rates: if the institutions proposed for transfer become educational charities, like existing voluntary institutions - and universities - they would only be liable for 50% rates instead of 100% as now. The central government grants to the institutions could be reduced accordingly. The total rates paid by the institutions to be transferred is some £24m; the reduction in grant might be up to £12m. Provided that only this reduced rate bill is included in the deduction from AEG, there need be no adverse effects for the rating authorities.

(iii) Pensions: pension arrangements will need review. The teaching staff will continue to be covered by the teachers superannuation scheme, with no significant changes. For non-teaching staff, who are currently covered by the local authority scheme, it might be possible to continue the present arrangements: the voluntary colleges are already covered by this scheme. Options for different arrangements are also being considered. It will be necessary to examine the costs of the arrangements proposed with a view to ensuring an equitable distribution of liabilities between past and future employers.

Other recurrent costs

8. There are four main items:

(i) "topping up" payments by local authorities;

(ii) the cost of the PCGC (offset by savings on the abolition of NAB);

(iii) non-advanced further education (NAFE); and

(iv) in-service training for teachers (INSET).

9. On topping-up, the latest year for which full figures are available is 1984-85. They suggest that topping-up then amounted to less than 10% of net expenditure for half of the institutions to be transferred, between 10% and 30% for just under one-third of institutions, and 30% or more for the remaining one fifth. Some of those in this last group are ILEA polytechnics, where the bulk of topping-up was accounted for by ILEA policies aimed at expanding educational opportunities. A further group in the same class are institutions whose main function is teacher training. In 1987-88 the allocations from the capped pool will be more generous to initial teacher training then in 1984-85, and the need to top up should be correspondingly reduced. Moreover, partial information for years later than 1984-85 shows some authorities, including ILEA, pegging or reducing their topping-up.

10. Topping up payments will need to be eliminated under the new system. Some, including at least part of the ILEA payments, could cease without difficulty. But in other cases topping-up payments will be sustaining worthwhile courses, and the employment of key members of staff. It would be unrealistic to expect institutions to cope overnight with large reductions in staff numbers or in their range of courses; such cuts would be seized on by the opponents of the new scheme. A transitional period therefore seems necessary.

11. The transition would be quicker if we could accelerate the decline of topping-up before transfer to PCGC funding takes place. With that in view, the Government's position when it announces the transfer might be that it expects topping-up to be eliminated as soon as possible, and that there might be no money for it from the very date of transfer. The response to such an announcement would be at the discretion of LEAs, but some of them could be expected to begin phasing out topping up either from the announcement of the Government's intentions or from Royal Assent to the legislation: they might see little point in continuing it once they knew that they would lose the institution.

12. In the end however it is likely that some institutions will enter the new sector topped up by their LEAs to an extent which will require the PCGC to phase it out. The cost of such a transition would depend on the progress made by LEAs in reducing topping-up before the transfer date. £20m in the first year, £12m in the second and £5m in the third is an outside estimate, assuming that LEAs make **no** further reduction before transfer. How should this cost be met? In the view of **DES and DOE**, it would not be equitable to meet it by deduction from AEG, since no account has ever been taken of it in expenditure plans for local government, and a sizable proportion is accounted for by ILEA which receives no block grant. The **DES** argues that central government ought to bear the cost. In the view of the **Treasury** the phasing-out of topping-up should not add to public expenditure; they would wish to see the cost met either by a deduction from AEG, or by a reduction elsewhere in the DES programme, or by way of recovery from those LEAs who were topping-up at the transfer date.

13. The costs of the NAB, some £1.5m a year, are pooled by local authorities, with the exception of a small proportion directly funded by DES. The PCGC will cost of the of order of £1-2m. This will be offset by savings in the central management of higher education, notably the abolition of the NAB whose budget would form part of the AEG deduction.

14. A small amount of NAFE is undertaken in the colleges proposed for transfer - some 3% of the total. It is suggested in paragraph 25 of the paper at Annex III that the local authorities would remain responsible for this. They pay for NAFE separately from the HE pooling system even in institutions engaged mainly in HE. There are therefore no financial implications from the change proposed. The local authorities would have the option to buy in NAFE work from transferred colleges or to move the work to other establishments under their control. In practice, the LEAs would probably initially continue to buy in all, or nearly all, existing work. But, over time, they might decide to move it to their own colleges.

15. In effect, local authority colleges currently receive a subsidy from the HE pool to provide courses of in-service teacher training (INSET) lasting 4 weeks or more. The subsidy is about £25m in 1987-88. The voluntary colleges receive a similar subsidy - although the universities, which also provide INSET courses, only receive a subsidy for those courses which are award-bearing and last a year or more. As proposed in paragraph 26 of the paper at Annex

III these resources in the public sector colleges might generally be better handled through the INSET grant arrangements. On the basis of the proposals in that paper, the expenditure supported by the INSET grant would be £20m higher after the transfer to purchase the same volume of INSET; but the effect on public expenditure would be neutral.

Capital

16. Capital spending in the institutions to be transferred was £48 million in 1984/85, on the basis of LEA returns to DOE. Though there are as yet no firm figures for later years, early monitoring of capital expenditure on the local authority education service as a whole suggests that expenditure has increased, despite reduced levels of allocation by central Government. In the absence of better information, we have assumed that capital expenditure in the transferred institutions has followed broadly the same pattern as for education as a whole. On this basis, we estimate that the institutions' capital spending in 1987/88 will be about £55 million.

17. It is likely that after the Government announces its intentions, local authorities will be extremely reluctant to use any of their own resources to supplement central Government allocations, and might even vire the latter to other areas of local authority service.

18. Capital receipts arising from disposals in the colleges to be transferred are running at about £5 million a year.

19. Gross provision for capital spending on local authority further and higher education as a whole has averaged £73 million from 1985/86 to 1987/88 on the basis of successive Expenditure White Papers. This is the only published indication of Government plans for the sector and a reasonable assumption is that at least half of that (say £40 million) relates to the transferred institutions. How much should be deducted from the overall provision for local authority capital expenditure on account of the transfer? In the **Treasury** view, the figure deducted should be the actual annual capital expenditure at the transfer date (i.e. in 1987-88 terms £55m (cf para 16) less £5m for receipts, making £50m in all), thus ensuring no increase in public expenditure. **DES** proposes that only the £40m element of provision attributable to the transferred colleges should be deducted, on the grounds that local authorities should not be penalised for decisions properly within their discretion to vire capital provision to higher education from other purposes. The **DOE** support the DES.

20. It is envisaged that, as with the universities and direct-grant colleges now, transferred institutions would receive an annual grant to cover capital spending. If the new sector is not to experience a significant cut in its capital provision immediately after the transfer, that grant would need to be at the rate of £55 million a year. If the DES proposal in para 19 were accepted, an additional £15 million would need to be found, of which £5 million can be assumed to be derived from continuing asset disposals in the institutions, leaving a net additional cost of £10m arising from the transfer.

21. The existing physical assets would be transferred to the institutions without compensation to local authorities. In those circumstances it would not be reasonable to leave with the local authorities the responsibility for servicing historic debt related to the transferred institutions. Assuming that the outstanding debt is transferred at its value outstanding at the time of transfer the effect on public sector borrowing overall will be neutral, borrowing funded by central Government being increased by an amount exactly corresponding to the reduction in local government debt.

22. The cost of debt servicing should remain the same, or might even be marginally reduced if the Government brokers are able to secure better rates of interest than those available to individual local authority treasurers.

Conclusion

23. As noted in Appendix A, some small additional costs may have to be borne by the Exchequer. But, in general, as AEG will be reduced by the full cost of that part of higher education to be transferred out of local government, the overall effect will be very small. Besides, the proposals would secure a more effective system of higher education, giving better value for money, and would allow central government, through the PCGC to exercise a firmer grip on expenditure than is possible under the present local authority/NAB arrangements.

APPENDIX A

SUMMARY OF FINANCIAL EFFECTS

a)	**Recurrent pooled costs**	
i)	Transfer from local government to PCGC of funds for a) transferred colleges; and b) degree and certain sub degree work in colleges remaining with LEAs (paras 6-7)	Cost neutral. £750m transfer to central government vote, offset by reduction in AEG
ii)	Ex LEA institutions become liable for VAT (para 7i)	PSBR neutral. Increase in Government revenue (£18-20m) offset by higher grants to institutions, representing an increase in public expenditure.
iii)	Ex LEA institutions only liable for 50% rates, if they become educational charities. (para 7ii)	Cost neutral for institutions if their grant is reduced accordingly. Cost neutral for central government if rating authorities compensated by a corresponding abatement of the AEG deduction.
iv)	Pensions (para 7iii)	Under consideration
b)	**Other recurrent costs**	
i)	topping up: phasing out (paras 9-12)	**Transitional** costs to central government: up to £20m in first year, although could be much less depending on timing of phasing. Treasury argue that compensating savings should be found to balance any such cost.
ii)	Administrative costs of PCGC (para 13)	£1-2m offset by savings on the NAB.
iii)	NAFE (para 14)	No financial implications
iv)	INSET (para 15)	No implications for public expenditure, but INSET grant would rise by £20m following transfer of funds.
c)	**Capital**	
i)	Transfer of capital spending from local authorities to institutions (paras 16-20)	On the basis of continuing spending levels of £55m: £40m transfer from local authority provision; £5m

		continuing use of institutional receipts; £10m to be covered by additional grant. Treasury argue for deduction of £50m from provision, eliminating any increase in public expenditure.
ii)	Assets and historic debt charges (paras 21-22)	Assets and associated debt charges transferred to institutions in new sector. The effect on public sector borrowing is neutral.

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ANNEX III

FUTURE OF THE POLYTECHNICS: HIGHER EDUCATION REMAINING WITH LOCAL GOVERNMENT

Summary

1. The attached paper considers the nature, planning and funding of higher education (HE) in the colleges left in local authority hands.

2. The LEAs will retain 300 of their present 370 institutions providing HE; in most of these 300, HE is a minor or marginal part of their activity alongside the main non-advanced work. Some of these HE courses are part-time and aimed at the local market. This local character will be the prime justification for maintaining a residual LEA role in HE. But some of the courses are of wider relevance and need to be planned along with the work of the colleges transferred out of local government.

3. At present the NAB advises the Secretary of State on the planning and funding of all HE work in local authority colleges. One of the failings of the present system is that NAB's work in relation to HE of essentially local character is ineffective and what it does tends to detract from the usefulness of its advice on the bulk of HE of national character provided in the polytechnics and other major institutions.

4. It is therefore proposed that the PCGC should have planning and funding responsibility for that HE remaining in local authority colleges which is of national relevance, but that LEAs should plan and fund work of local character. This will be a more logical and potentially more effective arrangement than the present one which fails to reflect the varied planning needs of public sector HE.

5. The recommendations on HE remaining with local government are:

a. the PCGC to be responsible for the national planning of all degree, degree-equivalent and related work; and individual LEAs for planning all other sub-degree work (paragraphs 12-16);

b. the PCGC to be put in funds to "purchase" the courses for which it has planning responsibility from LEAs (paragraphs 18-19);

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c. existing pooled funding arrangements having ceased, provision for funding courses planned by LEAs to be made in the RSG needs assessment (paragraph 21);

d. LEAs to remain responsible for all capital expenditure in their colleges and funds used by the PCGC to purchase courses in LEA colleges to include provision for capital debt charges (paragraph 23);

e. LEAs to have no representation on the PCGC: instead, the PCGC and the LEAs to establish a joint consultative committee (paragraph 24);

f. LEAs to retain responsibility for all NAFE work, purchasing NAFE from transferred colleges when they wanted (paragraph 25); and

g. The PCGC to have responsibility only for award-bearing INSET courses of a year or more: the resources currently in the higher education vote for other INSET to be transferred to the INSET grant (paragraph 26).

Nature of HE Remaining with Local Government

6. About 70 of the 370 LEA institutions currently providing HE would pass out of local authority control, but they would take with them just over 80% of current HE. The remainder vary greatly in size and proportion of HE. A few are relatively large: 8 have over 1,000 full-time equivalent higher education students and, of these, 5 have allocations from the AFE pool of £3m or more. But most are largely non-advanced further education (NAFE) colleges, with only small amounts of HE.

7. The colleges that would remain in local government, insofar as they provide HE, offer a wide variety of work, including some degree courses and fair amounts of full-time sub-degree work. However the bulk of their HE students take part-time, sub-degree vocational courses leading to Higher National Certificate (HNC) and equivalent professional qualifications. Some of the courses are very specialised, and some colleges act as regional centres for certain types of courses or in response to the needs of specialist local employers. Many of the remaining courses are in response to more general local demand. The pattern of student attendance is shown at Appendix A. This role in meeting primarily local needs would be the prime justification for the remaining LEA colleges keeping a stake in HE.

8. At the same time the transferred colleges also provide a range of professional courses and HNCs with substantial local take-up and the Government will want the transferred colleges to retain and strengthen their local and regional links.

Planning

9. It would be possible to leave the remaining LEA colleges providing HE completely outside the ambit of the PCGC. Individual LEAs could plan their own provision individually and/or regionally, funded out of normal sources of revenue. The disadvantage of leaving the residual HE sector to look after itself in this way are:

(a) it would allow overlap and waste between the LEA and transferred colleges and perhaps between LEAs;

(b) a good deal of the remaining local authority HE might in time wither away and there would be no means of ensuring that courses which are needed survive eg. specialist degree work and sub-degree courses which help to secure access to degree level study.

10. If the PCGC were to have some planning responsiblities in relation to the LEA colleges' HE work it should be possible at least to diminish those problems. There are two main options, as identified in the Secretary of State's earlier paper to the Prime Minister:

(a) the PCGC to be responsible for planning and funding all public sector HE, buying in courses from the LEA colleges as necessary - in this case LEAs would be forbidden by law to offer any course without the PCGC's approval; and

(b) the PCGC and the LEAs each to be responsible for planning and funding different parts of HE in the LEA colleges.

11. Option (a) would mirror the present system, whereby the NAB advises the Secretary of State on the planning and funding of all public sector HE. Inevitably, the NAB concentrates on major institutions and areas of special interest. Consideration of other courses, particularly those which are local in orientation, is desultory or non-existent. Individual LEAs' proposals are largely endorsed at face value. To exercise effective central planning, option (a) would require the PCGC to give

detailed attention to the HE work of 300 LEA colleges, including their many part-time locally oriented courses; the PCGC could be badly distracted from its main responsibility for the transferred colleges. This option also would ensure the maximum of local authority opposition. Option (b) therefore seems preferable. The planning and funding responsibilities could be shared in various ways; in general the funding mechanisms would follow the division of the planning responsibilities.

Division of responsibility between PCGC and LEAs

12. The ideal way to divide responsibility, if it were practicable, would be for the PCGC to have planning - and funding - responsibility for HE courses in LEA colleges which meet national or regional needs and for the LEAs to have responsibility for courses which meet local needs. But this cannot in practice be done simply by labelling each course as local or national. The available dividers which provide a proxy for the local-national split and which allow a reliable apportionment of funding are level of qualification and mode (full- versus part-time) or a combination of these.

13. The most obvious dividers are:

i) between degree and sub-degree work; and

ii) between degrees, degree-equivalent professional qualifications and related sub-degree courses on the one hand and other sub-degree courses, including professional qualifications, on the other.

The kind of sub-degree courses which are related to degrees are Diplomas of Higher Education (DipHE) and full-time Higher National Diplomas (HND), for example the two year full-time HND in Business Studies, which provides a general qualification for young and mature students with options in marketing, languages etc. The remaining sub-degree courses, not related to degree work, are largely part-time: mainly Higher National Certificates, for example the graphic design course is one day and one evening a week for two years, aimed at upgrading professional skills; and professional qualifications, for example, the Institute of Bankers three year diploma with two years of one day and one evening a week followed by one evening a week for a year.

14. Option i) has attractions: degree level work is heavily concentrated in the transferred sector; nearly all is of regional or national significance; to the layman, it is an obvious point, because of degree status, to make a break. But educationally, and in planning terms, option ii) seems preferable. Many HNDs and DipHEs share infrastructure and materials with degree work and are taken as a preparation, or a substitute, for degrees. The other sub-degree qualifications are largely part-time and are more of a "completion" qualification, aimed at a local market.

15. The conclusion is that:

(i) the PCGC should plan and fund all degrees and degree-equivalent courses (full- and part-time) and all DipHE and full-time HND and related work whether provided in transferred or LEA colleges - the LEA colleges would only be able to provide these courses with PCGC agreement;

(ii) the LEAs should be wholly responsible for the planning and funding of all other sub-degree courses in their own institutions.

The PCGC would however be responsible for the planning and funding of HNCs and sub-degree professional courses in the transferred colleges.

16. This division produces a roughly fifty-fifty split of responsibility for students on HE courses in the remaining LEA colleges; see Appendix B. On the basis of the existing distribution of courses, however, the apportionment of responsibility would have the useful consequences that the PCGC would have to deal with only 150 of the 300 LEA colleges with HE. The others only provide courses for which the LEA would have planning and funding responsibility.

Central planning arrangements

17. At present central planning can be exercised through the Secretary of State's powers to:

(a) determine the amount of the AFE capped pool and to apportion it between authorities (which indirectly allows the setting of target numbers for individual programme areas and courses); and

(b) approve and withdraw approval for the provision of courses.

The Secretary of State will, under the new system, continue to determine the global amount for HE redefined to exclude activity under (ii) of paragraph 15; for that see paragraph 21 below. It will fall to the PCGC to allocate funds between institutions, albeit in a less detailed fashion than is now practised. Course approval powers have failed hitherto to provide an effective planning tool and are inconsistent with the intention to delegate to the transferred colleges greater managerial responsibility; they are likely to be abandoned.

18. In the absence of these detailed controls and in the interests of simplicity, it is recommended that the PCGC should be put in funds to "purchase" degree and other courses from local authorities. In the early years the PCGC would in practice have to buy in the existing provision from local authorities for which it had been put in funds. But after an interim period, if the PCGC was not satisfied about the quality or the demand for particular courses, it could consider ceasing to fund them or transferring them elsewhere. In time the less efficient or effective courses would cease to operate or in effect be moved to the transferred colleges.

19. The PCGC could in theory negotiate individual rates of payment for each LEA college course but this would almost certainly be too time consuming and contentious. The better alternative would be for the PCGC to use standard rates of payment related to the standard levels of funding for similar courses in the transferred colleges. This approach would have the additional advantage of tending to weed out the inefficient LEA providers.

LEA planning

20. For those courses which were not funded by the PCGC, individual LEAs would be responsible for such local or regional planning as was necessary, using if they wished the Regional Advisory Councils. They would also need to liaise with transferred colleges in their area to establish how far the transferred colleges proposed to run similar courses.

Funding

21. The division proposed in paragraph 15 would leave the LEAs with full responsibility over a relatively small part of HE, costing about £75 million a year. This compares with the provision already made for NAFE of the order of £900 million

a year. On this basis, it would no longer seem necessary, or appropriate, to maintain the existing pooled funding arrangements for those HE courses for which LEAs had full responsibility. Instead this part of HE could be combined with NAFE to form a single FE sector for which allowance would be made in the RSG needs assessment. The detailed arrangements would need to be considered further (in particular on recoupment for HE courses in LEA colleges, the treatment of part-time courses, and the treatment of authorities not in receipt of RSG). But in principle this should provide an acceptable method of funding the residual HE for which LEAs would be responsible.

22. Where the PCGC purchased courses from the LEA, the PCGC would provide the necessary funds in the same way as the MSC does now for NAFE.

23. The LEAs' capital allocations in respect of further education should be determined as now to cover all the institutions remaining with them, including those doing work for the PCGC. The decisions about where capital expenditure should be incurred would remain as now with the LEA. So that local authorities did not neglect their responsibilities for colleges providing a significant amount of HE which the PCGC purchased, provision for capital debt charges could be included in the PCGC payments to LEAs. This would also help make the PCGC and individual LEAs more aware, than is the case under the present system, of the capital costs of HE in these colleges and to plan accordingly.

PCGC membership

24. The LEAs would no longer have a national role in the planning and providing of HE. It is not proposed therefore that the local authorities should be offered places on the PCGC; they will undoubtedly press for them, but their presence would be likely to act as a drag on moves towards greater selectivity and concentration. Coordination between the PCGC and the local authorities will however be needed in respect of both PCGC purchases of HE in LEA colleges and of the relationship between HE in the transferred sector and that still funded and planned by local authorities in their colleges. It would be appropriate therefore for the PCGC and the LEAs to establish a joint consultative committee. It would be consideration whether a joint committee should be provided for in the legislation establishing the new sector and the PCGC.

NAFE

25. The LEAs are responsible for NAFE although some of the core funding is

provided by the MSC. At present about 3% of NAFE is undertaken in the colleges to be transferred. The PCGC could be given funds to finance this, but it seems pointless. The volume of activity is marginal; NAFE would not be a PCGC responsibility; the existing NAFE provision in transferred colleges would need co-ordination with work going on in other LEA colleges and there is danger that it would fossilise. It makes more sense for the LEAs to retain responsibility and funds for NAFE but allow them to buy in provision at a standard rate from the transferred colleges if they wish. Initially, LEAs would probably buy in most or all of existing provision, but, in time, it is likely that much of the NAFE will wither in transferred colleges, particularly where it can be provided more cheaply in LEA institutions. This is the other side of the coin of HE courses gravitating to the transferred colleges. The joint consultative committee discussed in paragraph 24 might also deal with NAFE in the transferred colleges.

INSET

26. Longer (ie 4 weeks plus) INSET courses form about 3% of 1987-88 planned HE provision - some £25 million pool expenditure. Shorter courses are self-financing. By assuring a base level of funding this money facilitates forward planning by institutions (mainly in the transferred sector) and ensures a minimum level and cost effective distribution of training nationally. However it also has the effect that LEAs are not charged all the costs of the services they receive and the public sector has an unfair advantage over the universities where all courses (except award-bearing courses of a year or more) are self-financing. The PCGC will have a general interest in the overall level of INSET work at its institutions. The Secretary of State has the specific interest that there should be sufficient provision across the country to deliver his INSET aims cost-effectively. But neither of these requires the present system of central planning and funding. In general the resources would be better handled if they were transferred to the INSET grant to LEAs, provided that where necessary types of training are specifically prescribed and guaranteed through the national priority part of the grant (this might require some central distribution of grant to selected LEAs or LEA consortia instead of the usual pro rata distribution to all LEAs). However as the voluntary colleges are relatively more reliant on INSET work the churches - and non-voluntary colleges similarly placed - may argue strongly for a measure of transitional protection. To mollify them and to minimise the disruption of existing centres of expertise some of the available money may have to be assured to those colleges for a transitional period.

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Appendix A

STUDENT ATTENDANCE IN REMAINING LEA COLLEGES

i. Numbers (000s 1985 - actual numbers)

	Degree and equivalent quals	DipHE education certs HND Other diplomas	Sub-degree prof quals	HNC etc	Total
Full-time	6	16	3	2	27
Part-time	7	4	31	44	86

ii. Students in LEA colleges as a percentage of public sector total

Full-time	4	33	31	33	12
Part-time	16	35	56	64	47

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Appendix B

DIVISION OF RESPONSIBILITY FOR WORK IN REMAINING LEA COLLEGES

a. actual numbers (000s)

	Degrees and equivalent	DipHE Education certs Other diplomas	HND	Sub-degree prof quals	HNC etc	Total	**Total to PCGC**
Full-time	**6**	**5**	**11**	3	2	27	**22**
Part-time	**7**	**3**	1	31	44	86	**10**

b. full-time equivalents (000s)

Full-time	**6**	**5**	**11**	3	2	27	**22**
Part-time	**2**	**1**	≠	9	13	25	**3**
Total						52	**25**

≠ under 500

Areas for which PCGC have planning etc responsibility are printed in bold

Area for which LEAs have planning etc responsibility are printed in plain

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ANNEX IV

FUTURE OF THE POLYTECHNICS: POWERS

1. This paper discusses the powers that would be exercised respectively by the institutions, the Polytechnics and Colleges Grants Committee (PCGC) and the Government after the institutions had been transferred out of local government and the PCGC established.

Institutions

2. The polytechnics and other transferred colleges would have independent legal identities. Each would be a corporate body with an Instrument and Articles defining its objects, powers and duties. Their primary duty would be to provide higher education and they should have a general power, subject to any limitations imposed, to do any thing conducive or incidental to that duty. Within this general power they would have in particular power to

(i) manage their physical assets and recurrent resources;

(ii) recruit, deploy and manage staff;

(iii) carry out teaching and research.

3. They would have substantially greater freedom from external control than at present. They would however be accountable to the Secretary of State for their conduct and, through the PCGC, for their use of public funds - see paragraphs 11-16 below. They would continue to be responsive to national requirements, elaborated through the planning work of the PCGC. They would be accountable to the CNAA or validating university for the standard of the courses they offered to students. They would continue to be subject to inspection and report by Her Majesty's Inspectorate.

4. The institutions vary greatly in size. None has direct experience of setting pay and conditions of service for their staff, who have for the most part been employees of the local authorities. Pay for their academic staff has been negotiated in Burnham. Pay for non-academic staff and conditions of service for all staff have been negotiated on a non-statutory basis by the local authorities. The intention is to leave the institutions free in future to negotiate pay and terms and conditions of service with their employees,

subject to any influence the Secretary of State chooses to exercise through his control of funding and any associated conditions he may impose. Individual institutions could thus become responsible for determining their own staff pay and conditions of service, but they will probably choose to set up national negotiating arrangements.

5. It is intended that the voluntary and other colleges which already receive direct grant from DES should also come within the PCGC's remit for planning and funding purposes. They already have legal identities and their responsibilities will in future be broadly as described in paragraphs 2-3, the main departure from present arrangements being receipt of grant from the PCGC instead of from the DES; accountability for use of public funds would therefore be to the PCGC in the first instance rather than direct to DES. Their staff presently have the same pay and conditions of service as those in local authority colleges. The intention is to treat them in future in the same way as the polytechnics and other transferred colleges (see paragraph 4 above).

Polytechnics and Colleges Grants Committee

6. The PCGC will have a duty to:

(a) keep under review, and advise the Secretary of State on, the needs of public sector higher education generally;

(b) allocate funds to the colleges transferred from the local authorities and the colleges now funded direct by central government;

(c) plan the educational provision in the sector and encourage good management by the institutions.

It will have the power to make grants to the colleges within its area of responsibility and to make grants to local authorities to secure the provision of certain kinds of higher education in colleges remaining under local authority control.

7. The first of these duties will require the PCGC to keep under review needs for public sector higher education, in the light of any guidance from the Secretary of State and in consultation with its institutions and the UGC. It will have to make regular recommendations on the overall capital and recurrent funding requirements

of the institutions in the light of their current work and the Government's policies. This activity would closely parallel that of the UGC, the strong lay element in the PCGC being intended to ensure so far as possible that objective advice would be tendered.

8. The proposed legislation would empower the PCGC to pay grant, subject to conditions and requirements, out of monies provided by Parliament to all the institutions in the new sector (probably defined for legal purposes in two groups, those newly established as corporate bodies by the Act, and others approved by the Secretary of State, namely the voluntary and direct grant colleges and the local authority institutions which already have a legal identity). The conditions and requirements on the basis of which the PCGC will make grants will have to be set out in financial memoranda agreed between the PCGC and the institutions and approved by the Secretary of State. A central task will be to determine the methods used to make recurrent and capital allocations to individual institutions and to monitor the use to which they put the funds. The Chief Officer of the PCGC would be Accounting Officer for the grants to institutions.

9. Financial allocations will reflect the PCGC's planning decisions. It is not proposed that the PCGC should possess legal powers of the kind now exercised by the Secretary of State to approve and set target student numbers for individual courses: these powers have in practice proved ineffective planning tools and are inconsistent with the intention of giving the institutions greater responsibility for their own management. Within Government guidelines planning and associated funding is likely to focus on: overall student numbers; the balance between subjects, between levels and between mode of study; and the rationalisation or concentration of provision in particular disciplines where this is needed. The PCGC will be able to earmark funding for specific purposes. Where the co-operation of institutions in implementing planning decisions is not readily forthcoming, the PCGC will have available sanctions in the form of withholding grant for specified reasons. As a body exercising a public function under statute, the decisions of the PCGC will be subject to judicial review.

10. Annex III includes consideration of the PCGC's powers in relation to higher education remaining in local authority colleges.

Government

11. The Secretary of State for Education and Science will determine the aggregate

recurrent and capital sums that are made available from public sources for the PCGC to distribute each year. The amounts currently involved are set out in the separate note on finance (Annex II). The sums involved will be found from within the Secretary of State's programme and settled in the normal way in the public expenditure survey. Account will be taken of the PCGC's advice on needs. The procedure will be essentially the same as that now employed for settling the universities and direct grant college Votes.

12. The PCGC's role and constitution will have to be such that it is receptive to guidance from the Secretary of State about the broad uses to which the funding is put. Guidance will normally be expressed in general terms and will not extend to the allocations made to individual institutions. It will cover the main areas of the PCGC's planning work (see paragraph 9 above). The arrangements will need to ensure that the Secretary of State can earmark funds for particular purposes when necessary.

13. The Secretary of State currently has wider powers and duties in relation to initial school teacher training (ITT) than other aspects of higher education. In the future, as in the past, he will need to decide what output of newly trained teachers is required from the public sector institutions, in total, by type of course, and by teaching specialism. He will continue to approve individual courses for content and quality. This requires him to set individual course entry targets at individual institutions. If possible these decisions should be based on advice from PCGC, which PCGC would prepare taking into account both specific criteria from the Secretary of State about teacher training provision, and their other institutional planning work. But the work must be carried out in co-operation with the Department and HMI, and on a timetable which will permit the Secretary of State, if necessary, to vary their advice. If it should not prove possible to establish satisfactory working arrangements of this kind the Secretary of State will need to decide these allocations on the basis of internal Departmental advice, prepared in consultation with the PCGC.

14. The Permanent Secretary of the DES will be the principal Accounting Officer for the Polytechnics and Colleges Vote and will require to be satisfied that the PCGC has in place appropriate and effective controls over its own expenditure and its grant payments. But he would not be answerable for decisions taken by the PCGC about the use of its resources or the distribution of grant. A financial memorandum will govern the grant-in-aid paid by the DES to the PCGC for its own operations

and for distribution to the institutions.

15. It is not intended that the transferred institutions should have, at least at the outset, the same very large degree of autonomy as universities. In some respects it will be appropriate for the Secretary of State to have powers bearing directly on the institutions. For example the Governing Instruments of most of the institutions will have been approved, or imposed, by the Secretary of State. It would be normal to provide for subsequent change in those Instruments to be subject also to his approval; and useful if the legislation made Governing Instruments accessible to change initiated by him. The initial framework for governance of institutions will not necessarily remain good for all time and it seems proper for the Secretary of State to take powers to initiate change if this seemed desirable in the public interest.

16. At present local authority maintained institutions are subject to external checks: their behaviour can be scrutinised by the commissioners for local administration and the Secretary of State's reserve powers under the 1944 Act apply to them. None of these checks would operate for the new corporate institutions. It will therefore be appropriate for the Secretary of State to take powers to intervene in their affairs when questions of improper or unfair conduct arise and to issue directions, if appropriate.

ANNEX IV

FUTURE OF THE POLYTECHNICS: POWERS

1. This paper discusses the powers that would be exercised respectively by the institutions, the Polytechnics and Colleges Grants Committee (PCGC) and the Government after the institutions had been transferred out of local government and the PCGC established.

Institutions

2. The polytechnics and other transferred colleges would have independent legal identities. Each would be a corporate body with an Instrument and Articles defining its objects, powers and duties. Their primary duty would be to provide higher education and they should have a general power, subject to any limitations imposed, to do any thing conducive or incidental to that duty. Within this general power they would have in particular power to

(i) manage their physical assets and recurrent resources;

(ii) recruit, deploy and manage staff;

(iii) carry out teaching and research.

3. They would have substantially greater freedom from external control than at present. They would however be accountable to the Secretary of State for their conduct and, through the PCGC, for their use of public funds - see paragraphs 11-16 below. They would continue to be responsive to national requirements, elaborated through the planning work of the PCGC. They would be accountable to the CNAA or validating university for the standard of the courses they offered to students. They would continue to be subject to inspection and report by Her Majesty's Inspectorate.

4. The institutions vary greatly in size. None has direct experience of setting pay and conditions of service for their staff, who have for the most part been employees of the local authorities. Pay for their academic staff has been negotiated in Burnham. Pay for non-academic staff and conditions of service for all staff have been negotiated on a non-statutory basis by the local authorities. The intention is to leave the institutions free in future to negotiate pay and terms and conditions of service with their employees,

subject to any influence the Secretary of State chooses to exercise through his control of funding and any associated conditions he may impose. Individual institutions could thus become responsible for determining their own staff pay and conditions of service, but they will probably choose to set up national negotiating arrangements.

5. It is intended that the voluntary and other colleges which already receive direct grant from DES should also come within the PCGC's remit for planning and funding purposes. They already have legal identities and their responsibilities will in future be broadly as described in paragraphs 2-3, the main departure from present arrangements being receipt of grant from the PCGC instead of from the DES; accountability for use of public funds would therefore be to the PCGC in the first instance rather than direct to DES. Their staff presently have the same pay and conditions of service as those in local authority colleges. The intention is to treat them in future in the same way as the polytechnics and other transferred colleges (see paragraph 4 above).

Polytechnics and Colleges Grants Committee

6. The PCGC will have a duty to:

(a) keep under review, and advise the Secretary of State on, the needs of public sector higher education generally;

(b) allocate funds to the colleges transferred from the local authorities and the colleges now funded direct by central government;

(c) plan the educational provision in the sector and encourage good management by the institutions.

It will have the power to make grants to the colleges within its area of responsibility and to make grants to local authorities to secure the provision of certain kinds of higher education in colleges remaining under local authority control.

7. The first of these duties will require the PCGC to keep under review needs for public sector higher education, in the light of any guidance from the Secretary of State and in consultation with its institutions and the UGC. It will have to make regular recommendations on the overall capital and recurrent funding requirements

of the institutions in the light of their current work and the Government's policies. This activity would closely parallel that of the UGC, the strong lay element in the PCGC being intended to ensure so far as possible that objective advice would be tendered.

8. The proposed legislation would empower the PCGC to pay grant, subject to conditions and requirements, out of monies provided by Parliament to all the institutions in the new sector (probably defined for legal purposes in two groups, those newly established as corporate bodies by the Act, and others approved by the Secretary of State, namely the voluntary and direct grant colleges and the local authority institutions which already have a legal identity). The conditions and requirements on the basis of which the PCGC will make grants will have to be set out in financial memoranda agreed between the PCGC and the institutions and approved by the Secretary of State. A central task will be to determine the methods used to make recurrent and capital allocations to individual institutions and to monitor the use to which they put the funds. The Chief Officer of the PCGC would be Accounting Officer for the grants to institutions.

9. Financial allocations will reflect the PCGC's planning decisions. It is not proposed that the PCGC should possess legal powers of the kind now exercised by the Secretary of State to approve and set target student numbers for individual courses: these powers have in practice proved ineffective planning tools and are inconsistent with the intention of giving the institutions greater responsibility for their own management. Within Government guidelines planning and associated funding is likely to focus on: overall student numbers; the balance between subjects, between levels and between mode of study; and the rationalisation or concentration of provision in particular disciplines where this is needed. The PCGC will be able to earmark funding for specific purposes. Where the co-operation of institutions in implementing planning decisions is not readily forthcoming, the PCGC will have available sanctions in the form of withholding grant for specified reasons. As a body exercising a public function under statute, the decisions of the PCGC will be subject to judicial review.

10. Annex III includes consideration of the PCGC's powers in relation to higher education remaining in local authority colleges.

Government

11. The Secretary of State for Education and Science will determine the aggregate

recurrent and capital sums that are made available from public sources for the PCGC to distribute each year. The amounts currently involved are set out in the separate note on finance (Annex II). The sums involved will be found from within the Secretary of State's programme and settled in the normal way in the public expenditure survey. Account will be taken of the PCGC's advice on needs. The procedure will be essentially the same as that now employed for settling the universities and direct grant college Votes.

12. The PCGC's role and constitution will have to be such that it is receptive to guidance from the Secretary of State about the broad uses to which the funding is put. Guidance will normally be expressed in general terms and will not extend to the allocations made to individual institutions. It will cover the main areas of the PCGC's planning work (see paragraph 9 above). The arrangements will need to ensure that the Secretary of State can earmark funds for particular purposes when necessary.

13. The Secretary of State currently has wider powers and duties in relation to initial school teacher training (ITT) than other aspects of higher education. In the future, as in the past, he will need to decide what output of newly trained teachers is required from the public sector institutions, in total, by type of course, and by teaching specialism. He will continue to approve individual courses for content and quality. This requires him to set individual course entry targets at individual institutions. If possible these decisions should be based on advice from PCGC, which PCGC would prepare taking into account both specific criteria from the Secretary of State about teacher training provision, and their other institutional planning work. But the work must be carried out in co-operation with the Department and HMI, and on a timetable which will permit the Secretary of State, if necessary, to vary their advice. If it should not prove possible to establish satisfactory working arrangements of this kind the Secretary of State will need to decide these allocations on the basis of internal Departmental advice, prepared in consultation with the PCGC.

14. The Permanent Secretary of the DES will be the principal Accounting Officer for the Polytechnics and Colleges Vote and will require to be satisfied that the PCGC has in place appropriate and effective controls over its own expenditure and its grant payments. But he would not be answerable for decisions taken by the PCGC about the use of its resources or the distribution of grant. A financial memorandum will govern the grant-in-aid paid by the DES to the PCGC for its own operations

and for distribution to the institutions.

15. It is not intended that the transferred institutions should have, at least at the outset, the same very large degree of autonomy as universities. In some respects it will be appropriate for the Secretary of State to have powers bearing directly on the institutions. For example the Governing Instruments of most of the institutions will have been approved, or imposed, by the Secretary of State. It would be normal to provide for subsequent change in those Instruments to be subject also to his approval; and useful if the legislation made Governing Instruments accessible to change initiated by him. The initial framework for governance of institutions will not necessarily remain good for all time and it seems proper for the Secretary of State to take powers to initiate change if this seemed desirable in the public interest.

16. At present local authority maintained institutions are subject to external checks: their behaviour can be scrutinised by the commissioners for local administration and the Secretary of State's reserve powers under the 1944 Act apply to them. None of these checks would operate for the new corporate institutions. It will therefore be appropriate for the Secretary of State to take powers to intervene in their affairs when questions of improper or unfair conduct arise and to issue directions, if appropriate.

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ANNEX V

FUTURE OF THE POLYTECHNICS: DRAFT WHITE PAPER EXTRACT

4.1 Previous chapters have indicated the range of sound achievement in recent years; there is much to be proud of in all sectors of higher education in this country. But they also draw attention to weaknesses in the management and structure of the system. These are serious in much of the public sector of higher education in England [and Wales] and the following paragraphs announce radical changes here. ...

The Public Sector in England [and Wales]

Background

4.2 In England [and Wales] about 400 institutions outside the universities provide higher education: 29 [30] polytechnics and over 340 other colleges under LEA control plus 32 voluntary and other colleges directly funded by the DES. Some of the local authority institutions have corporate status but the great majority are maintained institutions which are part of the local authority, like most schools and other further education establishments.

4.3 The public sector colleges play a distinctive and increasingly important part in higher education, particularly in vocational and technological areas.

[PIE CHARTS here showing composition of public sector of HE by

(a) mode of study; and

(b) level (degree/sub-degree]

They now provide for over half the higher education students in England [and Wales].

[CHART here showing time series bar chart comparing student numbers, broken down by level of study in the universities and public sector, in 1975, 1979 and 1985]

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4.4 The resources devoted to public sector higher education in 1985-86 amounted to some [£ m] (current) and [£ m] (capital). Most of the expenditure of the local authority colleges is pooled between all authorities.

[CHARTS here showing

(i) the proportion of local authority expenditure on FE:

(ii) the division of FE expenditure between HE and NAFE; and

(iii) the sources of funding for polytechnics and other HE colleges]

The Secretary of State for Education and Science determines the total amount which can be pooled and allocates funds and places between individual colleges and areas of study in the light of advice from the National Advisory Body for Public Sector Higher Education (the NAB). The local authorities have 6 out of 8 seats on the NAB Committee.

The Government's Intentions

4.5 The Government acknowledges the contribution which local government has made to the development of public sector higher education. It has, however, concluded, for the reasons set out below, that it is no longer appropriate for polytechnics and other local authority colleges providing large amounts of higher education to be controlled by individual local authorities:

Role

* Polytechnics have a national as well as a local role. They recruit students nationally and meet the needs of employers throughout the country.

* Polytechnics offer all major subjects except medicine. After two decades of existence they are firmly established and cater on average

for a larger number of students than universities.

* They and other large local authority colleges, and voluntary colleges, are acknowledged to make a high quality contribution to higher education, distinct from but not inferior to the universities.

[DIAGRAM here showing relative size and range of work of 3 representative polytechnics]

Planning

* Present arrangements for planning public sector higher education recognise already that it is not appropriate for each local authority to plan and fund its institutions in isolation. Few local authorities promulgate a policy for higher education in their institutions even though they have responsibility for determining the character of educational provision in their areas.

* The existing national planning arrangements are unsatisfactory. Since NAB's inception in 1982 there has been little progress in rationalising scattered provision and concentrating effort on strong institutions.

* Progress of this kind will be more not less necessary if the polytechnics and other colleges are to provide in new ways for a wider range of students and meet the changing needs of industry and commerce in the 1990s [cross-reference to other relevant parts of the White Paper]

* This calls for a more effective lead from the centre, to reward success and enterprise in meeting new national needs, in place of a system giving weight to local vested interests.

* In particular polytechnics should be free and encouraged to build on their individual strengths so that some at least can become recognised leaders in particular vocational and technological areas.

Management

* It is widely acknowledged that the present relationship between local authorities and their polytechnics and colleges can and often does inhibit good institutional management. It also inhibits the desirable closer relationship between institutions and industry and commerce through consultancy and other services.

* Many local authorities apply to their higher education institutions inappropriate detailed controls some of which are designed for smaller institutions or other services.

* This prevents polytechnic and college heads from managing their financial and staffing resources to best effect.

* There have been examples of objectionable political interference by authorities in the work of some institutions.

4.6 It is sometimes suggested that the simple grant of corporate status to polytechnics and other local authority colleges would satisfactorily resolve these difficulties. The Government does not agree. Even if institutions had corporate status local authorities would still be able to impose financial and staffing constraints by attaching conditions to their payments of grant. Nor would grant of corporate status do anything to remedy deficiencies in the present national planning arrangements. It is more likely that the widespread grant of corporate status would serve only to create new tensions between institutions which would see themselves as self-managing and local authorities which would continue to see themselves as ultimately responsible for the institutions' financial and academic policies.

4.7 The Government therefore intends to secure the re-establishment of the polytechnics and other higher education institutions which had over 55% higher education as free-standing bodies outside local authority control. Those colleges whose main concern is non-advanced further education will remain in local government. The statistical information to underpin decisions will be taken from the most recent FESR. The institutions which will transfer are the 68 listed at Annex [ ]. [The annex will also include a MAP showing the institutions.]

4.8 Funding of the colleges transferred from local government will become the responsibility of central Government and the individual colleges will employ their own staff. [The Government does not intend to prescribe arrangements for determining pay and conditions of service for such staff whether academic or non-academic.] The equivalent of the pooled expenditure will be transferred out of AEG; and capital allocations for the transferred colleges will be deducted from provision for local authority capital expenditure. Certain of the transferred institutions currently receive resources from their LEAs over and above the allocations from the pool: these additional resources will have to be phased out.

4.9 New Instruments and Articles of Government will end local authority dominance of governing bodies and provide for strong representation from local industry and business. There is no intention that the local and regional links and roles of the institutions concerned should be diminished; on the contrary these should remain a distinctive feature, and it is the Government's conviction that the regional dimension could be strengthened with removal of the single local authority tie.

4.10 The NAB with its local authority majority will no longer be an appropriate planning body. A different kind of body, with some executive powers, is necessary to help develop the new sector and ensure that its resources are deployed effectively. The new body - which it is proposed to call the Polytechnics and Colleges Grants Committee (PCGC) - will:

- advise the Secretary of State on the needs of the public sector higher education generally;

- allocate funds provided by the Government to the colleges transferred from the local authorities and to the colleges now funded direct;

- subject to what is said in paragraph 4.13 about initial teacher training provision, plan the educational provision in the sector and encourage institutions to co-operate on the development of good management practice; and

- have power to provide resources for some of the higher education in colleges which remain under the control of local authorities.

4.11 The PCGC, like the UGC [(on whose development see paragraphs)] will be an independent non-departmental body under the sponsorship of and appointed by the Secretary of State. It will have a small membership with a strong industrial and commercial element, as well as members from the institutions. It will be appropriate for the Committee to establish arrangements for consulting with the local authorities about their residual interest in higher education and about the small amount of non-advanced further education which remains in the transferred colleges.

4.12 The voluntary colleges provide a significant part of public sector higher education, which should be planned in association with the rest of the sector. The Government therefore proposes that the PCGC should be responsible for their planning and funding as for the colleges transferred from the local authorities. It will consult the providing bodies about whether Voluntary Sector Consultative Committee should continue in being to provide a forum for discussing the special needs of the voluntary colleges, or whether satisfactory arrangements can be made for the PCGC to take account of their distinct interests. The Government also considers it will be right for the small number of other direct grant higher education institutions to come within the ambit of the PCGC.

4.13 The institutions within the ambit of the PCGC will include almost all public sector initial teacher training courses. As in the past, the Secretary of State will approve individual courses with regard to their suitability as courses of initial training for school teachers, and set individual course entry targets at individual institutions. It will be desirable for these decisions to be based on advice from PCGC, prepared taking into account both criteria provided by the Secretary of State for initial teacher training provision and the general institutional planning work of the PCGC. But this arrangement will require satisfactory working practices which provide co-operation between the PCGC, the Department and HMI leading to the preparation of advice for the Secretary of State on a timetable meeting his needs and that of the institutions. If such practices cannot be agreed and put into operation, the Secretary of State will need to decide allocations in respect of initial teacher training on the basis of internal Departmental advice, prepared in consultation with the PCGC.

4.14 The colleges listed in Annex [ ] have nearly 80% of the full-time equivalent higher education students currently in local authority higher education institutions. Much of the work in the remaining local authority colleges meets essentially local

needs: part-time, professional and technical vocational training. But some of the colleges have degree level work - some 6% of the present total - as well as full-time and part-time sub degree courses. The Government intend that

* for all degree work, Diplomas of Higher Education, full-time Higher National Diplomas and other courses at these levels, the PCGC would be responsible for planning and funding as for the transferred colleges. The appropriate amount of money will be transferred accordingly from the local authorities by adjustment of the AEG;

* for other courses in the remaining local authority colleges (eg. sub-degree professional qualifications and part-time BTEC qualifications), the local authorities would no longer be guided by a central planning agency. The present pooled funding arrangements would end. Local authorities would instead receive GRE credit appropriate to the number and type of student involved.

4.15 The LEAs will retain responsibility, and the funds, for any non-advanced further education currently in colleges transferred from their control. They will be free to buy in provision from transferred colleges or move it to one of their other institutions, as they see fit.

[Summary CHART of main proposals]

4.16 The PCGC will require a secretariat and some of the colleges may need additional staff to take over financial and other management tasks currently undertaken by their LEAs. But the costs should be more than offset by consequential savings in LEAs, in DES by the transfer of the direct grant institutions to the PCGC, and by the winding-up of the NAB.

4.17 The re-establishment of maintained colleges as free standing corporate bodies, the consequential transfer of assets, staff and debts, the establishment of the PCGC and the changes in the funding arrangements will be effected in a Bill to be introduced [in the next session of Parliament]. The Government is clear on the main outline of the changes, but will be consulting relevant interests on some of the details:

including those identified above.

4.18 The Government believes that the major reform outlined above will make it easier for the polytechnics and colleges to pursue educational effectiveness and efficiency and to respond to national needs. As corporate bodies, no longer controlled and funded by local authorities, they will be free to manage their resources flexibly and to best advantage, while remaining accountable through the PCGC for their use of public funds.

[Bar CHART comparing composition of present public sector colleges offering HE with the new sector and with those colleges remaining with local government]

The present national planning arrangements, which straddle higher education and colleges whose chief interests lie elsewhere, will be replaced by a structure which embraces only institutions which are wholly or predominantly concerned with higher education of national relevance. Higher education in other institutions which meets primarily local needs will be planned and funded by those best suited for the task, the local authorities.


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PART 10 ends:-

J.B. UNWIN to DN 23/12/86

PART 11 begins:-

SS/DGS to PM 22/1/87.


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