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MAP 27/2.



PRIME MINISTER Education
This is getting some publicity today. You should be aware of it. You might like to have it back in your week-end box.

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

Richard Ryder, Esq
Prime Minister's Private Office
10 Downing Street
London SW1

MAP 19/2.
18 February 1980

yes please

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Dear Richard

I enclose for the attention of the Prime Minister a report on the future of the ILEA. This report is the outcome of a Conservative Committee which my Secretary of State, Mark Carlisle, set up under the Chairmanship of Kenneth Baker, to look into the future of the ILEA, and specifically to recommend what changes, if any, needed to be made in the administration of education in Inner-London.

This report should be looked upon as a Conservative document, rather than a Government one. The Secretary of State is now studying it with a view to deciding what further action he needs to take.

At this stage, the Secretary of State has requested that a copy be sent to the Prime Minister simply to keep her informed, especially as there is likely to be considerable publicity on this matter. There is not yet any recommendation on policy being brought forward from this Department on this matter.

Yours sincerely

STUART SEXTON
(Adviser to the Secretary of State)

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Report of the Committee on Education in Inner London.

Terms of Reference.

In November 1979 the Secretary of State, Mr Mark Carlisle Q.C., M.P. set up a committee of London Conservatives under the chairmanship of Kenneth Baker M.P. to examine and make specific recommendations as to the future of the education service in inner London.

Conclusion.

This Committee recommends that responsibility for nursery, primary, secondary and most parts of tertiary education should be vested in the individual boroughs.

The principal factor in our decision is the

ABSENCE OF DEMOCRATIC ACCOUNTABILITY OF I.L.E.A.

a) ILEA is composed of 35 GLC members and 13 representatives from the 12 inner London boroughs and the City. The present political division is 26 Labour, 21 Conservative and 1 Independent. It is not directly elected, nor is it directly responsible to any authority. Therefore local people - parents, teachers and rate - payers, have no direct say in the running of their local education service, unlike the outer London boroughs or the rest of the country.

b) Those favouring the retention of ILEA have to demonstrate that the educational needs of inner London are so exceptional that this quite unique arrangement should continue. We do not accept that these problems are so markedly different from those of, for example, Birmingham, Liverpool, Manchester or those of the outer London boroughs of Ealing, Brent and Newham to justify the continued existence of I.L.E.A.

c) The essence of local authority democracy is that people should have a direct say in all public services provided in that borough. However, in inner London local elections, education issues are not put directly to the electorate, and they are only indirectly involved in the Greater London Council elections. It is understandable and right that people living in Tower Hamlets should be primarily interested in the schools and the quality of education available in their own borough; they cannot be expected to be as interested in the educational services in Putney, North Hammersmith or Woolwich. At present the whole drift of our society is towards smaller and more directly accountable units. We strongly believe in the principle that the electors of each inner London borough should have as great a voice in the provision of their educational services, as do those of every other metropolitan district in the country and that the best way of achieving this is through the ballot box.

ABSENCE OF FINANCIAL ACCOUNTABILITY.

ILEA prepares its own budget, determines its own expenditure and levies the 12 Inner London Boroughs and the City through the GLC with a precept which cannot effectively be challenged. In the educational services of the country this is quite unique and is resented by most inner London boroughs. The Government proposes to introduce a unitary grant for ILEA but the authority will still retain the right to precept for the sums which it decides it needs in excess of the grant allocation. It will continue to be its own financial master and will not be responsible to any directly elected representatives.

There are three other factors that we also consider to be important:

1) THE HIGH COST OF ILEA.

Although an advantage claimed for the Inner London Education Authority when it was established was its ability to achieve economy of scale, its overhead costs are substantially higher than that of the national average for local education authorities. Its overall costs per pupil are by far the highest in the country. Whilst the higher cost of the education service in Inner London may be in part attributed to greater salary and administrative costs, the high unit cost per pupil when compared to either other metropolitan authorities or to Outer London Boroughs cannot be justified.

A Short Comparison Shows The High Cost of I.L.E.A.

<u>Authority</u>	<u>Pupils</u>	<u>Teachers</u>	<u>% of total salaries spent on non-teaching staff</u>	<u>P/T Ratio</u>	<u>Unit Cost Per Pupil*</u>
					£
I.L.E.A.	373,870	23,116	19.4	15.9	631.8
Ealing	47,255	2,513	16.4	18.5	497.9
Brent(highest Outer London)	42,910	2,642	12.3	16.1	557.3
Enfield(lowest Outer London)	46,779	2,256	14.1	20.5	415.7
Birmingham	207,171	10,541	12.8	19.5	421.5
Barnsley	47,019	2,292	13.7	20.0	417.7
St. Helens	40,428	2,015	11.5	19.8	395.2

* Primary and Secondary Schools

(Education Actuals Statistics 1977/78, Chartered Institute of Public Finance and Accountancy August 1979)

Appendix 2 gives further comparative figures.

2) DISQUIET ABOUT EDUCATIONAL ACHIEVEMENT IN INNER LONDON

As a measure of value the higher level of expenditure on education in inner London is not matched by higher academic achievement. The evidence shows that success in public examinations is consistently lower in inner London when compared to the average for England and Wales. This difference is in our opinion too great to be accounted for by the inner-city characteristics of inner London.

Numbers Entering and Passing Public Examinations

	<u>I.L.E.A.</u>	<u>England and Wales</u>
Subjects taken at O'level per 1,000 children at secondary schools.	387	608
Subjects passed at O'level per 1,000 children at secondary schools.	197	357
Subjects taken at A' level per 1,000 children	95	116
Subjects passed at A'level per 1,000 children	57	78

(Inner London Education Authority Report on Examination Results)

1976 and C.I.F.P.A. Education Actuals 1976/77

See appendices 3, 3a and 3b

3) REMOTENESS OF ADMINISTRATION.

The centralisation of the education service in Inner London has resulted in a loss of responsiveness to local needs accentuating the problems of financial and democratic accountability. We are convinced that if local councillors were directly responsible for the education service in their boroughs then the problem of badly-run schools such as William Tyndale would never have arisen.

THE MARSHALL REPORT.

The Report to the Greater London Council by Sir Frank Marshall in July 1978 recognised the above criticisms and proposed that:
"The creation of an Inner London Borough Statutory Joint Committee would offer the best balance of advantage in overcoming the problems of inner London education."

This would mean that each inner London borough would nominate five of its elected representatives to serve on this committee.

Whilst this is an improvement on the existing system there would still be no elected representatives directly responsible for their local education services. Education would still not compete directly with other services for available resources. In addition there would be a practical problem of finding councillors who could meet the heavy demands which this Committee would place on their time. Therefore, in our view preserving the essential structure of I.L.E.A. in this way will only perpetuate the present administrative inefficiencies whilst doing little to improve democratic or financial accountability.

SUMMARY RECOMMENDATION.

Our concern has been that any recommendation should:

- promote democratic accountability in the education service
- promote financial accountability in the education service
- contribute towards the raising of educational standards and greater involvement for parents.
- guard against the re-emergence of excessive bureaucracy

We conclude that on all these grounds the current responsibilities of the Inner London Education Authority should be vested in each inner London borough.

THE PROVISION OF EDUCATION IN THE NEW LOCAL AUTHORITIES.

1. Each inner London borough should have specific responsibility for nursery, primary and secondary schools, youth and leisure services, Adult Education Institutes and the Colleges of Further Education with in its boundaries. The sharing of recreational facilities across borough boundaries must continue.

2. Special education should become a borough responsibility and the transferability which currently exists across the borough boundaries for highly specialised services should continue.

3. We recommend that the five inner London Polytechnics and the specialist colleges of national status (appendix 5) should be administered by a joint committee of the 12 inner London boroughs.

There should also be a joint committee (possibly a sub-committee of the Regional Advisory Council) which would review all non-advanced Further Education courses in inner London to ensure there is no unnecessary duplication in the provision of courses.

The first criterion of a new education authority is that it should be individually capable of providing an effective and full-scale service.

This entails two considerations:

1. Financial

We consider that a system of distributing the wealth of the richer boroughs to the poorer should continue, through some form of rate equalisation scheme. It is no part of our purpose to save money for the richer boroughs while starving the poorer ones.

It is important to realise, however, that even the poorest East London Boroughs have relatively high rateable resources. The product of a 1p rate in 1978/79 in Tower Hamlets is £400,000. The following education authorities all have lower rate resources than Tower Hamlets:

<u>Authority</u>	<u>School Population</u>	<u>1p Rate Product</u>
Haringey	37,466	£ 388,000
Bexley	39,750	£ 286,200
Barking	28,576	£ 266,000
Kingston	21,171	£ 271,000
Sunderland	62,915	£ 237,450
Rochdale	43,554	£ 190,700

(Education Authorities Directory 1978 and C.I.F.P.A. Education Actuals 1977/78)

These are merely a selection. There are many education authorities which have a lower rate product than the poorer inner London boroughs.

The transfer of responsibility for the education service to the boroughs would have a major effect on the finances of all inner London boroughs and would inevitably entail drastic changes in the present rate equalisation scheme. Whilst replacement of the current practice of the education precept in Inner London by an amended rate equalisation scheme or some other mechanism would have the merit of demonstrating more clearly how much some boroughs contribute to others, such a scheme would need careful negotiation through representatives of all London Boroughs.

2. Size of Population and Number of Children.

Appendix 4 shows the size of each inner and outer London borough and the projected school age population for 1986.

On the lowest estimate the smallest borough in Outer London will be Kingston with about 25,000 pupils. There will be three inner London authorities smaller than this - Kensington and Chelsea 18,000; Camden 21,000; Westminster 23,000. Greenwich at 42,000 and Wandsworth at 49,000 will be significantly larger than many outer London boroughs.

We consider that even the smallest borough could provide an excellent education service. In addition there is nothing to prevent two or more adjacent boroughs from forming joint education committees to provide any services on a combined basis. The Government's new legislation on the recoupment of expenses between local authorities will facilitate easier transfer of children across borough boundaries.

1st February 1980

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Appendices

1. Membership of the Committee
2. Expenditure Profile of Education Authorities
3. Examination Results in Inner London
4. School-Age Population of Outer and Inner London boroughs
5. Specialist Further Education colleges
6. Summary of Options for the reform of I.L.E.A.

Appendix 1: Membership of the Committee on Education in Inner London

Chairman: Kenneth Baker M.P.
 Nigel Forman M.P.
 Bill Shelton M.P.
 Ian Clarke
 Hugh Cubitt
 Leslie Freeman
 George Pole
 Stuart Sexton
 Professor David Smith

Secretary: Christine Chapman

The Committee
was assisted by: Harry Greenway M.P.
 John Bamford
 Margaret Bickford-Smith
 Harry Jordan

APPENDIX 2: EXPENDITURE PROFILE OF EDUCATION AUTHORITIES

Authority	No. of Schools	Pupils on Register	Total Educ Exp.	No. of Teachers	Pupil Teacher Ratio	Unit Cost Per Pupil
			£m			£
Barking	72	28,576	21.2	1598	17.7	473
Barnet	124	46,845	37.9	2566	18.0	486
Bexley	95	39,750	28.2	2010	19.7	439
Brent	96	42,910	40.7	2642	16.1	557
Bromley	121	48,050	37.6	2415	19.9	455
Croydon	149	56,476	44.5	2934	19.2	471
Ealing	117	47,255	40.7	2513	18.5	497
Enfield	108	46,779	31.5	2256	20.5	416
Haringey	101	37,466	34.0	2009	18.3	526
Harrow	77	31,773	25.7	1680	18.8	465
Havering	103	46,849	31.2	2316	20.0	435
Hillingdon	102	41,460	32.3	2220	18.2	491
Hounslow	83	36,037	28.3	1927	18.2	480
Kingston	57	21,171	17.5	1121	18.4	448
Merton	68	27,305	20.7	1389	19.1	465
Newham	115	43,047	33.7	2314	18.1	514
Redbridge	82	35,948	27.6	1789	20.0	459
Richmond	61	19,490	19.7	953	19.8	513
Sutton	68	26,963	20.0	1349	19.8	423
Waltham	97	38,746	29.5	2216	17.2	507
ILEA	1074	373,870	439.0	23146	15.9	632
Bury	101	32,798	22.5	1657	19.7	397
St. Helens	121	40,428	25.5	2015	19.8	395
Barnsley	147	47,019	30.2	2292	20.1	417
N. Tyneside	116	37,923	26.9	2019	18.5	468
Solihull	102	44,546	27.3	2191	20.1	394
Calderdale	135	38,339	25.4	1878	20.4	399
Birmingham	506	207,171	139.4	10541	19.5	421

(C.I.F.P.A. Education Actual Statistics 1977/78)

Appendix 3

1. Pupils leaving Secondary School without Graded Examination Passes

<u>Authority</u>	<u>% of all School Leavers</u>
I.L.E.A.	25
Liverpool	20
Newcastle	19
Leeds	17
Croydon	16
Outer London Boroughs	15
Coventry	15
Doncaster	12
Sheffield	9
England and Wales	16

(Department of Education and Science 1977 Survey of Examination Results)

Appendix 3a

'O' Level

Entry numbers and pass rate (Grade A-C) of Ordinary Level Candidates

in I.L.E.A. and England and Wales

<u>Subject</u>	<u>ILEA</u>		<u>England and Wales</u>	
	Entry Numbers	Pass Rate %	Entry Numbers	Pass Rate %
Biology	4,598	54.1	209,559	56.4
Chemistry	3,316	54.9	112,221	60.9
English Language	13,961	49.0	452,179	59.5
English Literature	8,201	48.6	248,487	58.9
French	4,173	58.8	152,459	59.6
Geography	4,932	40.7	188,765	54.5
German	1,192	54.3	44,246	58.4
History	4,540	52.6	149,242	57.0
Latin	899	68.9	32,095	75.4
Mathematics	8,079	51.8	270,297	58.3
Additional Maths	431	52.9	36,477	64.7
Physics	3,448	51.0	137,929	59.0
Religious Knowledge	2,301	51.4	59,717	61.9

Appendix 3b

A Level Summer 1976. Numbers Entering and Pass Rate in ILEA and England and Wales.

	<u>ILEA</u>		<u>England and Wales</u>	
	Pass Rate	Entry % Numbers	Pass Rate	Entry Numbers
Biology	57.8	1053	68.0	32066
Chemistry	59.7	1274	70.9	34558
Economics	62.9	990	66.2	35451
English	56.3	2598	70.4	65958
French	62.3	845	71.6	24111
Geography	60.3	897	69.0	37004
German	59.8	443	76.2	7745
History	61.1	1231	70.9	37891
Latin	79.2	96	86.3	2883
Mathematics				
Pure	63.6	1304	52.1	18853
Applied	72.5	549	46.0	12206
Pure & App	68.0	996	68.1	38886
Physics	59.2	1546	69.8	41803
Rel. Know.	56.9	174	65.6	5734

(Inner London Education Authority Report
on Examinations Results September 1978)

Appendix 4: School-Age Population of the London Boroughs

5-19 years projected pupil numbers in thousands

<u>Borough</u>	1986 High	1986 Low	<u>Borough</u>	1986 High	1986 Low
City of London	1.3	1.3	Barking	30.9	29.3
Camden	21.9	21.0	Barnes	62.4	60.3
Greenwich	44.5	42.1	Bexley	44.6	42.8
Hackney	35.8	32.6	Brent	52.9	50.9
Hammersmith	28.3	26.1	Bromley	60.1	56.7
Islington	30.5	27.3	Croydon	69.0	68.3
Ken & Chelsea	19.5	18.0	Ealing	62.5	62.4
Lambeth	50.7	47.7	Enfield	52.9	51.0
Lewisham	41.6	36.9	Haringey	41.0	38.9
Southwark	37.8	34.5	Harrow	41.2	39.8
Tower Hamlets	27.8	25.2	Havering	47.6	44.7
Wandsworth	49.5	48.9	Hillingdon	46.8	43.5
Westminster	24.8	23.3	Haunslow	42.5	40.8
			Kingston	26.0	25.4
			Merton	33.9	32.7
			Newham	44.7	43.3
			Redbridge	45.9	45.5
			Richmond	33.8	32.1
			Sutton	36.3	34.5
			Waltham Forest	45.3	42.3

(Marshall Report July 1978)

Table 5 Page 129: Extract

Appendix 5: Joint Committee on Higher Education

A joint committee of the inner London boroughs would be responsible for the following institutions:

1. Polytechnics

South Bank

Central London

City of London

North London

Thames

2. Specialist Colleges

Camberwell School of Art and Crafts

Central School of Speech and Drama

Chelsea School of Art

College for the Distributive Trades

Cordwainers College

London College of Fashion

London College of Furniture

London College of Printing

Merchant Navy College

Royal School of Needlework

St. Martin's School of Art

APPENDIX 6 Summary of Options for the Reform of the Inner
London Education Authority

OPTION 1

ILEA should become solely a committee of the Greater London Council.

Comment: Although this option has found support it is a solution which is likely to increase existing anomalies since it does not reform ILEA's unwieldy and remote administration. It would also create a difficult political situation whereby outer London councillors would decide inner London matters without being answerable to the appropriate electorate. If ILEA were only composed of inner London members they would be in constant conflict rather than competition, for resources.

OPTION 2

ILEA should retain its present structure but committee members should be directly elected in a separate ballot limited to educational issues alone.

Comment: This proposal has several attractions. However, ILEA would remain a large precepting authority which would still not compete with other services for resources since education would be isolated as a separate political issue. In addition ILEA would become the only directly elected precedent which others, if tempted, would find difficult to follow.

OPTION 3

Transfer all the existing responsibilities of ILEA to group of boroughs.

Comment: This solution has some specific advantages. In particular we do not discount the possibility of neighbouring boroughs setting up joint education committees to provide certain services. However, if applied to all services it would be administratively unwieldy (if achieved through political grouping) or politically unacceptable (if achieved through the present administrative decisions). In addition there would be the danger of increased bureaucracy at borough level and incomplete political and financial accountability because of a split electorate.

OPTION 6

Permissive legislation to allow individual boroughs to assume educational powers.

continued

Comment: This option has certain attractions since it does reflect the views of the elected councils in certain London boroughs. However, it is only a half-solution to the problems we have identified. Some boroughs may be unwilling to assume responsibility and ILEA would then become a rump of the poorer deprived boroughs. Although this problem could be met by a transfer of resources the net result would only be a partial improvement in democratic and financial accountability. In addition since it is unlikely that economy of scale could be achieved in a partial-ILEA there may be an **increase** in administrative costs.