

MR BUTLER

Prime Minister

You may wish to use this note as a guide to the conduction of the Liaison Committee meeting, particularly x) and y).

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LIAISON COMMITTEE

F.R.B.

9.9.

I promised a note on the briefing for the above.

Liaison Committee was reactivated in February under the Prime Minister's chairmanship. Its terms of reference are: "to give guidance to MPs and Ministers on the interpretation of Government policy and to take such action as in their opinion is necessary to sustain public confidence in Government".

Its work was interrupted by the Falklands crisis which swept it to one side. However it has produced papers to guide presentation on:

- economic, employment and industrial issues;
- law and order;
- housing.

X Tomorrow's discussion of the Social Security policy is very much a laying-on of hands. Thus the main discussion will be of the education paper.

Mr Wakeham's paper suggests new topics, one of which is subsumed in the earlier economic paper - namely nationalised industries.

We need to be clear in relation to Mr Wakeham's paper how the Committee is to proceed and where the line is to be drawn between its work and the output of speaking notes or more substantial documents - eg. on the EC - by the Lord President.

The Committee has not yet exhausted its tour of Departmental topics but the agenda contains no provision for decisions on future work. I think the Prime Minister must be in a position to suggest new work, for example, on:

- agriculture;
- Defence;
- energy;
- transport;
- new technology;
- health.

I think I would suggest health, transport, energy or the new technologies for starters rather than such an amorphous subject as international affairs or at this stage efficiency of Government.

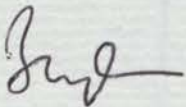
Y However, the Prime Minister does need to commission more work tomorrow to sustain the momentum and achieve her objective of a fairly comprehensive presentation folder guide before the election. Mr Wakeham's paper rather than any other business might be useful for concentrating the Committee's mind on future work.

I do not think the Prime Minister needs any briefing on my two papers on the main economic presentational issues for the autumn and the diary. These papers are intended primarily as background but also to:

- remind the Committee of the major presentation problems for the autumn and the need to keep progress under review; and
- draw attention to the extremely busy autumn both generally and for the Prime Minister in particular and to identify her main presentational platforms.

Mr Biffen may take a particular interest in the issues for the autumn though he had not sparked at the time of writing.

Content?



B. INGHAM

9 September 1982

SECTION 1 - Importance and Public Perception

1. Obviously, the education system is a vital concern of every family in the land. No other service provided by the state involves so many people so actively day in and day out. In the maintained sector, some 420,000 schoolteachers provide instruction for almost eight million children under a system in which important rights and duties are also conferred on parents (whose position has been strengthened significantly by our three Education Acts).
2. Recent opinion polls suggest that the existing system enjoys widespread public support, and is not felt to have grave structural deficiencies. NOP in February 1980 found that 91% of pupils interviewed were satisfied with the education they were receiving, and 82% of parents said they were satisfied with the standard of teaching being provided (33% were very satisfied).
3. While no strong demand for radical reform can be perceived, a feeling that a fairly marked deterioration has occurred in recent years may well be growing. The 1980 NOP poll questioned parents, teachers and employers. In all three groups the number who believed that educational standards had declined exceeded the number who felt that some improvement had occurred in the last few years. Pessimism was particularly strong amongst employers: only 9% said an improvement had taken place, while 60% said standards had fallen.
4. No systematic effort has been made to establish why such critical views of the recent performance of the education service have taken root. There does, however, seem to be a widespread disposition to lay at least part of the blame at the door of the comprehensive school. Amongst those interviewed by NOP in 1980, the comprehensive was seen as suitable for the less bright child by only half the teachers, 44% of parents and 37% of employers (its suitability for the bright child being seen, of course, as even more questionable). The doubts about the comprehensive system felt by many teachers also emerged in an NAS/UWT poll in 1978 which showed that 58% of the profession believed that the introduction of comprehensive education had lowered standards. Independent support for that view comes from Northern Ireland which obtains consistently better results than the rest of the Kingdom from its selective system.
5. Nevertheless, it seems unlikely that the abolition of comprehensive schooling would be widely welcomed. MORI, in a survey in 1981, found only 20% in favour of that course (slightly less than the number in favour of abolishing public schools). Evidence of serious dissatisfaction unaccompanied by demands for the ending of

comprehensive schooling for the efforts of ministers to induce LEAs and comprehensive schools to reorder their affairs in order to improve their standards. (MORI also shows that our determination to protect the independent sector is far from being an electoral liability).

6. Although abundant and detailed information is not available, it seems that the fact of falling school rolls and the consequent rationality of cutting expenditure on education has not so far been widely understood. NOP in 1980 did not seek to canvass opinion on this point; it is therefore all the more significant that 40% of the parents who were interviewed spontaneously stated that no cuts at all should be made in spending on education. There is a certain amount of anecdotal evidence pointing in the same direction. The "Average British Family" recently identified by The Times (May 1982) felt more strongly about "the Government's pruning of education" than any other issue.
7. A fuller understanding of the true position, and of the scope for savings without consequent damage, is likely to be held in some sections of the teaching profession. Interestingly, only 14% of teachers questioned by NOP in 1980 spontaneously denounced the very idea that savings might be made in education. (Teachers, not surprisingly, tend to favour cuts in administration). It therefore must be worth re-stating the sound case that exists for reducing expenditure in education at this time in the hope that greater awareness of the facts will eventually undermine the fashionable and rather simple-minded habit of assuming that cuts must inevitably be harmful.
8. The limited information that is available suggests that the public takes much the same view of cuts in universities as of cuts in schools. MORI, in November 1981, found that 60% were against the university cuts, and 30% in favour (with 50% opposing a cut in student grants). However, such reactions, uncovered in the immediate aftermath of the Government's decision to reduce expenditure on universities, may well diminish quite quickly with the passage of time.
9. No close connection has been established by opinion polls or other means between the public perception of the cuts (which the recent HMI report is widely thought to have confirmed), and the generally low standing of the Government on educational issues which the polls tend to show. (For instance Gallup in December 1981 found that 62% disapproved and only 27% approved of Government education policy). Disapproval may well stem also from other factors: such as widely publicised cases of indiscipline, the education crisis in Toxteth, or exaggerated hopes of improvement and gain (particularly by parents) arising from our major Education Acts.
10. Whatever the cause, the existing perception of education policy is disquieting. Amongst the electorate at large, Gallup in December 1981 found that education came fairly high on the list of subjects whose handling by the Government was attracting popular disfavour - well behind prices, taxation and employment, but only just behind the health service. Amongst Conservative supporters, 37% expressed disapproval, marginally less than Party disapproval of policies in health, and economic and financial affairs.

11. Education seems to have little power to sway votes at elections. In 'tracking' studies by Gallup since 1979, schools and education have consistently been seen as the most important political issue by no more than one to two per cent of those interviewed.

SECTION II - The Record

1. Introduction

- Three Education Acts have been passed in this Parliament which fulfilled most of the Manifesto promises, and halted the Socialist attempt to impose uniformity.
- Various measures have been, and are being, introduced which will lead to improvements in standards, but these take time. It has to be remembered that apart from legislation, the Government has remarkably little direct power over education provision. Much of the improvement has to come from persuasion since the powers of direction do not exist.
- Two major problems have loomed large: the need to reduce overall expenditure on education, and the need to accommodate the schools system to a rapid fall in the numbers of children of school age. To some extent these separate issues have complemented each other, in that it is easier to contain expenditure with fewer children to teach.
- BUT the increased numbers of post-16 year olds staying on in school lessen the possibilities of greater economies, and because of diseconomies of scale there can be no direct relationship between falling numbers and reduction of schools expenditure.

2. Variety, Choice and New Parental Rights

- Education Act 1979 saved the remaining grammar schools by removing the Labour Government's compulsion to go comprehensive contained in their 1976 Education Act. Local Authorities and the voluntary bodies once again have the freedom to preserve - and indeed to restore - the grammar schools.
- Education Act 1980/Parents' Charter: a very substantial legislative achievement which fulfilled many more election pledges, especially those contained in the "Parents' Charter". In particular, the Act:
 - * provides for full information about schools, including examination results, to be available to parents;
 - * for the first time gives parents a statutory right to express a preference for a particular school;
 - * complementing the parents' choice, places a statutory duty upon the Local Education Authority to meet that choice, except in well-defined cases where this is impossible;

- * gives a right to choose a school outside the area of the home Local Education Authority;
- * provides for clearer admissions criteria to be published for the benefit of parents;
- * sets up a local appeals procedure for parents not obtaining their first choice of school;
- * ensures that there is a separate governing body for each school, with certain exceptions;
- * puts parents and teachers on the governing bodies of maintained schools (normally two of each);
- * introduces the new Assisted Places Scheme which restores in an improved form the old direct grant system which Labour had scrapped. Once again children from families of limited means are able to go to highly academic independent schools (in many cases former direct grant grammar schools). Parents pay a contribution towards the fees according to income. The Scheme is now in its first year: two-thirds of all the children who have benefited come from families of below the national average income, (half of those had totally free places because of their low family income).
- Education Act 1981 extends the parental rights contained in the 1980 Act to parents of handicapped children, and children with "special educational needs". It sets the framework for a better and more appropriate educational provision for such children, implementing many of the Warnock Committee's 1978 recommendations. (Parts of the Act not yet in force will be brought in as conditions allow).

3. Standards

- The Government's document The School Curriculum (1981) is the first of its kind. Never before has full guidance been published on the school curriculum from five to sixteen.
- Our aim is to ensure that all primary school children receive education in the basic subjects, that they go on to a proper "core" curriculum in the secondary schools to include Mathematics, English and Science, plus a modern language, where appropriate.
- We are concerned to see that the law on religious education and the daily act of worship is properly enforced.
- The Public Examinations System has itself been examined to ensure that existing high standards are not lowered, and to see where improvements might be made:
 - * An early announcement confirmed that the GCE "A" levels were to stay, ending speculation initiated by the previous Government that they were to be replaced by examinations of a lower standard.

- * For the GCE "O" levels and CSE, a full-scale exercise has been mounted between the Government, the examining boards, and the teachers, to improve and standardise the syllabuses of these examinations, to ease the problem of choice between them, and to reduce the excessive number of examining boards. This work continues, and it is too early to say whether the result will be an amalgamation of "O" level and CSE, or whether the two examinations will continue in parallel, but improved and in greater harmony.
- * A new Certificate of Pre-vocational education is to be introduced for less academic pupils aged 17+. It is to be set by a new board, combining existing boards in the pre-vocational field and will give young people, who at 16 have few or low examination achievements, coherent courses preparing them for either technical, clerical or vocational training. These courses will lead to assessments of character and application as well as externally moderated examinations where any are passed. It is intended that the new Certificate can be taken either in schools or colleges of further education.
- Higher standards of entry are now required for candidates into teacher training (five "O" levels, including Mathematics and English, and 2 "A" levels).
- Incentives have been introduced to encourage teachers to train, or to retrain, in the "shortage subjects" such as Physics, Mathematics, Craft and Design, and Technology. In 1981 there was an increase of 45% in the number of postgraduates enrolling to train for a further year as teachers of these subjects.
- A special study has been carried out into the teaching of mathematics by the Cockcroft Committee whose report (1982) underlined the critical need for more teachers qualified in the subject. The Government is now urgently examining ways of implementing the report.
- The Science budget has been maintained.
- Two unions, the Professional Association of Teachers and the Association of Polytechnic Teachers, both moderate and responsible bodies, have been given places on Burnham Committees.

4. Expansion of Nursery Education

Contrary to popular belief, the number of nursery places under this Government has actually increased. For example, in 1980/1981, it increased by 5,600 places. This expansion can be highlighted to disprove the sweeping charge that the Government is presiding over contraction in all parts of the system.

5. Training

- A £9 million programme is being carried out by the Department of Education and Science to familiarise teachers with micro-electronics applications, and to develop "software" for schools. This complements the Department of Industry's scheme to pay half the cost of new computers for schools.

- An additional £60 million has been made available for the expansion of educational training to post-16 year olds in both schools and colleges of further education, together with a further £35 million for additional provision in non-advanced further education. Further measures are being planned to pay particular attention to the 16-19 group in conjunction with the new training initiative.

6. Higher Education

- Reductions in the total funding for the universities have been implemented to produce savings of around £200 million by 1983/84 and £150 million a year thereafter. This has been done in a selective way, taking the opportunity to shift the overall balance from Arts to Science and Technology, to strengthen certain departments in universities, and reduce or remove other weaker courses. Action is now being taken to channel money specifically towards areas of high priority, such as biotechnology.
- The University Grants Committee for the university sector has been complemented by the creation of the National Advisory Board (1982) for the public sector of higher education. Our aim is to make better use of resources and to meet the national needs in both sectors.
- The Government has increased overseas students' fees to a figure approaching the economic cost, thereby reducing both the indiscriminate subsidy from the taxpayer and excessive demand for places from overseas. Yet through assistance from the Overseas Development Agency, selected overseas students who need financial assistance can still get it. Despite the increase in overseas students' fees, new enrolments have only fallen to the level of 1974/5, whilst the income derived from them has doubled, £50 million to £100 million, between 1978/79 and 1980/81. Altogether savings of over £100 million a year have been obtained. We have also introduced a scholarship scheme for very able postgraduate research students from abroad.
- A revised system of support for student unions and the facilities that they provide has been devised whereby a sum is agreed between the student body and its parent university or college, the money coming from the total grant to the university or college. This replaces the previous system where the sum was set by the union itself, and compulsorily levied on each student's Local Education Authority.
- Student grants in 1982/3 are to be raised in conformity with the 4% guideline, and a new enquiry into student loans has been undertaken.

SECTION III - Some Comments on Presentation

1. We face three very obvious difficulties:
 - (a) Endless controversy about the so-called cuts and their effects could overshadow and obscure the Government's achievements, diverting attention in particular from the

three Education Acts whose significance could as a result be grossly underestimated by the public.

- (b) The full effects of the action taken to implement the 1979 manifesto (virtually in full) are not yet visible which again makes accurate public perception of its importance hard to attain. For instance, the local appeals system is only now coming into operation.
- (c) The limited power which the Government possesses makes it dependent in many respects on the co-operation and goodwill of LEA's, qualities which some of these bodies are unlikely to exhibit.

2. The Cuts

Ministers have dealt firmly and clearly with this issue pointing out in emphatic terms that:

- more is being spent in real terms per pupil than ever before;
- the pupil/teacher ratio stands at a record level;
- the total education budget has only been trimmed marginally in real terms;
- the number of pupils to be taught is falling faster than the education budget;
- just as increases in expenditure do not necessarily bring about an improvement of standards, so decreases in expenditure do not necessarily cause a worsening of standards.

It is obviously important that such points should be repeatedly hammered home. No opportunity should be lost to challenge those who accuse the Government of making swingeing and irresponsible cuts. So far the tone adopted in some sections of the party has perhaps been unduly defensive and apologetic. At the same time greater efforts could be made to reveal and give prominence to cases where money is being wasted by LEAs.

3. The Labour Party

Between 1976 and 1979 the Labour Party itself cut the education budget. Yet since the election it has affected outraged indignation about our education policy, and has sought to pose as the ardent champion of that wide range of pressure groups which believe that spending on education should only be allowed to move upwards. Not nearly enough attention has been paid to Labour's past, and we could profitably spend more time reminding them that their 1976 - 1979 cuts removed some £200 million in real terms from the education budget. With the aid of that record, we can make their current promises

to spend money like water sound pretty hollow.

4. Standards

The three Education Acts provide the clearest proof of Conservative concern to maintain existing excellence, and promote higher standards. In the defence of educational standards, we clearly stand a long way in front of other parties. That advantage must not be lost, and we must endeavour to ensure that the issue of standards continues at the heart of political debate about education. In some quarters there may well be a feeling that the three Acts did not go far enough, or that the results have been disappointing. Action might be considered to counter such feelings. It should be emphasised that the legislation, coupled with other measures (eg improving the quality of teachers and the curriculum) provides clear evidence of Conservative determination to lay down a framework through which higher standards can be achieved.

5. Parents

The Government's legislation shows that we are the guardians of the rights of parents. However, the party's advantage over its opponents could be reduced by a sense of disappointment on the part of some parents who believed that the 1980 Act would guarantee a place at the school of their choice, even if it is already full. We should impress upon such doubters that the Act has improved choice, and has also improved the response that Local Authorities make to the expression of choice.

6. Universities

Once patiently explained, the selective nature of the university cuts is understood and often agreed with. Nevertheless, the way the university cuts have been presented may have led some traditional Conservative middle-class voters, especially if they have young teenagers of their own, to be highly critical, and sometimes angry.

Emphasis needs to be concentrated particularly on the most positive aspect of this process of university restructuring:

- within the overall reduction, there will be an absolute increase in numbers studying certain subjects of crucial importance to the future of our country (engineering and technology, mathematics and physical sciences).

7. Some points that should have a secure place in our education policy speak for themselves and require little comment. The following list is far from being exhaustive:

- the retention of traditional teaching methods
- support for good discipline
- support for the enforcement of religious education and the daily act of worship

- opposition to trendy sex education, politics in schools etc.
- support for the retention of academic sixth forms.
- support for selection and the selective process.
- support for grammar schools, technical schools, and specialist schools.
- a general move away from the monolithic large comprehensive school.

8. Conservatives are often thought to be concerned about academic excellence to the almost total exclusion of everything else. The Government's record shows a deep interest in the position of the less academically orientated student. By providing additional money for further education, and by introducing a new examination at 17+, we are improving the prospects of those who need to be equipped directly for their working lives. Moreover, we have recently announced an initiative for the least able. £2 million are to be set aside for the development of new methods of teaching and examining. We can legitimately claim to be just as preoccupied with the needs of the "bottom 40%" as with the enhancement of prospects for those who take exams at 16.

Conservative Research Department

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REPORT OF LIAISON COMMITTEE

ON PRESENTATION OF

CONSERVATIVE SOCIAL SERVICE POLICIES

SECTION I - Importance and Public Perception

In this paper the term "social services" includes the social security system, the National Health Service and the personal social services administered by local government. Special attention is also paid to non-state provision by volunteers and families.

1. Although the most urgent political issues in the minds of the electorate are mainly in the economic field, the Conservative Party has traditionally recognised the importance of wider values.
2. These values underpin the kind of society to which the Conservative Party is committed and the policies which are needed to sustain them.
3. Conservative values include the cohesion and stability of our society; the establishment of good standards of learning and behaviour; freedom of choice for individuals and their families as well as the devolution of responsibility to them; and the humane and religious tradition of caring for those in real need.
4. These qualities are reflected in good family life where children are brought up with stability, security and love and are prepared for adult life as responsible citizens. Families also play a major role in caring for disabled relatives and there is no evidence that the modern family has given up its caring functions.
5. Against this background, one of the main functions of the statutory services is to back-up the family and help it to carry out its responsibilities.
6. Clearly these services also have a major role to play where there is no family or where the family are unable to cope.
7. In the final analysis the statutory services act as a safety net. No-one is denied medical treatment because he cannot afford it and no-one need be reduced to real poverty, by unemployment, widowhood or old-age. In a very real sense the social services in Britain re-inforce the claim that a free enterprise economy and a compassionate society go hand in hand. Each are different sides of the same coin.

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8. There is strong support in principle for the present system of social services. For example, last year's poll found that 71% of those asked about the National Health said that it represented value for money and 83% would oppose replacing it by private medicine. (Marplan, December 1981). Popular support for a system which provides an income for old people is equally high. When given a list of seventeen things the 1981 budget should or should not have done, the one issue easily topping the list was raising pensions - which was favoured by 95% of the respondents and was more popular than raising tax allowances (favoured by 73%).
9. The elderly strongly identify with Conservative values and as a result about 30% of those voting Conservative at the last General Election were over pensionable age.
10. The Government's overall record in the social services is a very creditable one and many achievements have been carried out of which we can be proud. Unfortunately there is absolutely no reason to think that this is getting through to any but a small section of the electorate.
11. For example, a Gallup survey in December 1981 showed that 64% of respondents disapproved of the way the Government was handling the Health Service and only 28% approved. (In June last year, the figures were 55% and 33% respectively). It is likely that the public, if asked whether the Health Service was being expanded or reduced, would almost unanimously assume the latter. The fact that the real resources going into the NHS have never been higher is almost certainly disbelieved.
12. Similarly, 55% of respondents disapproved of the way in which the Government was handling pensions whilst only 34% approved.
13. Other poll evidence shows that in our first three budgets (but not the fourth) the majority of people felt that pensioners and families with children had actually been made worse off, whilst in all our budgets widows and the low-paid were seen as being the worse-off.
14. In sum the social services are an essential element in our society and command widespread support; they are directly relied upon by large numbers of people; although the Conservative record is very creditable the majority of the electorate do not share this view.

SECTION II - The Record

1. The present Government has fully lived up to the tradition of the Conservative Party in protecting the old and recognising the special needs of the disabled; in safeguarding those who are most in need; and in improving the National Health Service.

The Elderly

- pensions have been fully protected against prices, as we promised at the last General Election. Indeed by November 1982 they will have been raised during our period of office slightly ahead of prices
- the £10 Christmas Bonus has been paid each year
- the weekly amount pensioners can earn without loss of pension will have been increased from £45 under Labour to £57 by November 1982
- poor pensioners on supplementary benefit receive more help with their heating costs than they received under Labour
- the number of sheltered housing places for the elderly, with a warden service, has been increased in England from 264,000 in March 1979 to 302,000 in March 1982
- The Government's prime economic objective of reducing the rate of inflation is of great importance to the elderly, because inflation erodes the value of their savings as well as any fixed income they may have. The inflation rate is expected to fall from 12% at the beginning of 1982 to 7½% by the end of the year.

3. The Disabled

- the attendance allowance paid to 300,000 handicapped people has been fully protected against prices
- the mobility allowance will have been raised from £10 per week under Labour to £18.30 by November 1982. Its value will therefore have been increased by 83% under the Conservatives. In addition, the mobility allowance has been made non-taxable and this will benefit some 40,000 disabled people, many of who are in work and thus have other taxable income
- in total, social security expenditure on the long-term sick and disabled has risen by 5% in real terms between 1978-9 and 1981-2
- Under the Companies Act 1980, company policy towards the disabled must be set out in the director's report
- measures taken by the Government last year include doubling the tax allowance for the blind and the Education Act 1981, updating the law on the special education of handicapped children

4. Low-income Groups

Supplementary benefits assist 6 million people (including dependent wives and children) and the main categories are pensioners, the unemployed and single-parent families.

The Government will have raised supplementary benefits fully in line with the increases in prices in the four years to November 1982.

This means that the very poorest in our society have had their living standards maintained. The idea that we are inviting the poor to bear the brunt of our economic strategy bears no relation to the truth.

5. The National Health Service

- in 1979 the Conservative Party promised to increase the resources of the NHS and this commitment has been fulfilled. Between 1978-9 and 1981-2 spending on the National Health Service rose by about 5% in real terms and now runs at some £14,500 million p.a. in Britain.
- over £1000 million has been set aside for 123 important new hospital building schemes costing over £2 million each
- to increase NHS efficiency, a series of initiatives have been launched including regional reviews of plans and performance - in particular manpower plans, development of performance indicators, the introduction of "scrutinies" under the guidance of Sir Derek Rayner and the experimental use of commercial auditors
- staff employed in actually caring for patients have been greatly increased. In two years to September 1981 the number of nurses and midwives in Britain (whole-time equivalents) rose by over 41,000; the number of doctors and dentists directly employed in the NHS by 2,300; and the number of GPs and General Dental Practitioners by 2,350.
- until the industrial dispute in the NHS this year waiting lists were being reduced and patients were being treated more quickly. The number of people waiting for admission to hospital fell, in England alone, from 752,000 in March 1979 to 619,000 in September 1981
- administration is being simplified in England by the removal of one administrative tier (the area health authority); decision-making will be nearer to the point where health care is actually delivered; and some £30 million p.a. will be saved on administration and transferred to patient care
- private medicine has been encouraged by abolishing Labour's legislation to phase out paybeds; easing restrictions on private hospitals and restoring tax relief on employer/employee medical schemes. These measures have increased total health care in the UK and relieved the strain on the NHS

6. Personal Social Services and Voluntary Effort

- local authorities have increased their spending on the personal social services in real terms and there have been increases in the number of home helps, as well as meals-on-wheels and other services, since 1978-9. Such services together with social security improvements like those made in the mobility allowance, help more people to be cared for in their own homes, where they want to be
- important changes are being made in "joint finance" arrangements, which foster collaboration between health authorities, local authorities and voluntary bodies in schemes for more "care in the community" so that, for example, fewer mentally handicapped people have to be in long-stay hospitals

- the amount of voluntary effort in the personal social services is actually greater than that provided by local government and budgetary concessions worth over £30 million p.a. have been made by the Government to help charities. In addition, central Government has maintained the value of its grants to voluntary organisations and the DHSS in particular will be helping some 250 voluntary bodies in England to a total of about £9 million in 1982-3. Local authority support for the voluntary sector in England has risen substantially from £15.6 million in 1979-80 to £23 million in 1981-2

- it has been made easier for the unemployed to do voluntary work without losing entitlement to benefit. In addition, £4 million will be available in 1982-3 in Britain to help provide opportunities for unemployed people to do voluntary work in the health and personal social services field

SECTION III - Themes and Presentation

1. Improving the Social Services 1979-82

- (a) It must be accepted that the propaganda climate in recent years has been a difficult one. Some hard but necessary decisions have had to be taken in which certain benefits have been cut in real value (e.g. unemployment benefit, sickness benefit and child benefit) and earnings-related benefits abolished. This has been aggravated by a constant barrage of ill-informed press and TV comment about "the cuts" and rumours about further proposed public expenditure economies in the last two years. The end result has been to create a climate of opinion in which everything is seen to have been cut even if it is untrue. Many Conservatives appear to share these widespread misconceptions.
- (b) Fortunately we now have a good practical record in Government and we can claim to be judged on what we have done. Furthermore, on the assumption that the public expenditure programmes are established and will be adhered to, there will be a period of relative calm and consolidation. Now is a good time for a much more aggressive approach in selling our achievements.
- (c) Public opinion will, on all the polling evidence that is available, strongly support our positive actions in the social services and there is no reason to believe that the unfavourable attitude currently displayed by the electorate is somehow set or immovable. Interestingly, in the 1981 budget we were seen for the first time, by a small majority, as making the disabled better-off and in the 1982 budget we were seen as making pensioners better-off (by 31% to 19%), also for the first time. This shows that with imaginative measures, like doubling the blind allowance, and good presentation it is possible to alter public perception of the Government.
- (d) In the Health Service we should stress not only our record but also the dedication shown by the nurses, and hence the damage done to patients as well as to their own interests by health service workers going on strike.

- (e) Unemployment is the most important political issue at the present time and, although it is not a DHSS matter, the electorate may well see the Government's response as an important indication of its social attitudes. This suggests that our publicity in the social services field should be complemented by similar illustrations of what we are doing to help the unemployed (e.g. educational provisions, training and job release) whilst the economy is being put on a sounder footing.
- (f) We have done as much for the social services as any responsible Government could do and this is a point which we should aim to get across to the electorate. By contrast, the Labour Party proposals for massive extra public borrowing, in the social services as elsewhere, carry little conviction and highlighting them may help us to damage Labour's credibility

2. Paying for the Social Services

- (a) Although any Government would obviously like to improve the social services, the fact is that huge sums are already being spent and that extra expenditure has to be paid for.
- (b) This year the personal social services will cost over £2000 million; the NHS around £14,500 million and the social security programme over £32,000 million. This means that out of every £10 of public spending, £4 goes on the social services.
- (c) Emphasis must be constantly laid on the fact that expenditure on the social services is financed out of taxation and that the increases in expenditure since 1979 have had to be financed by increasing taxation. For example, the NI contribution paid by employees since 1979 has risen from 6.5% to 8.75% mainly to finance expenditure on social security benefits and the NHS.
- (d) Any responsible Government must strike a balance if only because heavier taxation can damage the very groups which the social services are trying to help. Increases in personal taxation mean that people on low incomes are made worse-off whilst increases in business taxation simply results in higher unemployment.
- (e) In the longer term, the most important reason for controlling expenditure and taxation is that such restraint is vital to the Government's economic objectives and hence to a healthier and more productive economy. Unless we can achieve industrial recovery we will not create the wealth that is necessary to put into effect our plans and aspirations. People dependent upon the social services, including the unemployed, are among those who will gain most from the success of the Government's economic strategy.

3. Strengthening the Family

- (a) The family provides the framework in which almost all children are brought up and develop as individuals and as members of society. The quality of family life is therefore of fundamental importance to our country.
- (b) In the social services field the family is important not only because of its role in raising children but because of its functions in caring for disabled relatives. A survey by "Age Concern" confirms that very few elderly people are ever visited by a social worker or a voluntary worker and that the bulk of supporting help for the elderly disabled is met by the family. ("Beyond Three Score and Ten", 1978). Of some 700,000 elderly people suffering from dementia, only 13,500 are being cared for in hospital and the vast majority are being looked after by their families.
- (c) It is totally in accord with Conservative values to help families who wish to look after their relatives. The social security system can help ease the financial strain on the family (e.g. the attendance allowance, introduced by the last Conservative Government, is especially helpful) and the personal social services are becoming more family-orientated. For example, some local authorities take disabled people into residential accommodation for short periods so that families can be given a break.
- (d) The removal of children in care from institutional homes and placing them with carefully chosen foster parents is a good example of family policy. It is in the interests of the children to be brought up in a family and they are most likely to accept social discipline in adulthood.
- (e) Conservatives have strengthened the family in other areas. The sale of council houses means that many working families can, for the first time, acquire their own home and a major financial asset, which they can leave to their children. The Education Act 1980 has established a Parents Charter in our schools and given parents more say in how their children are educated.
- (f) Families have duties as well as rights and in the past too little emphasis has been laid on parental responsibility. The Criminal Justice Bill makes parents face up to their responsibilities by normally paying the fines imposed on their children or entering into recognisances to ensure their good behaviour.
- (g) However, the family is coming under strain as a result of the rising divorce rate. Whatever the effects may be on adults, studies show that divorce is generally a devastating experience for children. There are important implications for public policy because of the heavy burdens that divorce places on the legal system, the social service departments and social security benefits. It also seems probable that divorce leads to an increase in juvenile delinquency among the children involved. Calls

have been made for more effective conciliation and reconciliation procedures and the Government is studying these recommendations.

4. Privatisation and Freedom of Choice

- (a) The Conservative Government has strongly encouraged the growth of the private sector in the social services.
- (b) About half of all earnings-related pensions are in the private sector and the reliance on state pensions provided after the war has been radically diminished. The introduction of the new sick pay scheme means that employers rather than the state will be responsible for administering income during the first eight weeks of their employees' sickness and this will cut out some 3000 civil service jobs.
- (c) The private medical sector is also rapidly expanding and over 4 million people now have medical insurance with the provident associations.
- (d) Conservative policy is to encourage the private medical sector, thereby widening freedom of choice and easing the strain on the NHS. The policy is strongly supported by the electorate and indeed a BUPA survey of September 1981 shows that 57% of all union members would be in favour of accepting a wage deal which included private medical insurance (excluding the 6% who already have this type of insurance) and only 24% would not be in favour.
- (e) Conservative policy is therefore going with the grain of public opinion, whereas the Labour Party - which has traditionally opposed private medicine - and the SDP/Liberal Alliance, which appears to favour restrictions on private medicine, are both in some difficulties. The Conservative Party could take a much more aggressive approach in its publicity in this area.

5. Encouraging the volunteers

- (a) The role of the volunteer is valued by the Conservative Party. Volunteers embody individual responsibility in a free society and represent a personal response to social needs. The voluntary movement often does what the state cannot do and in addition, is innovative, quick and flexible.
- (b) Some 1½ million people take part in voluntary work in the community every week and the amount of voluntary effort in the personal social services exceeds that provided by the statutory services. Many disabled people, especially those without families or friends to support them, are only able to live in their own homes because of voluntary workers.

- (c) The voluntary and the statutory workers are being encouraged by the Government to work in partnership and as a result many local authorities now provide basic services in conjunction with voluntary bodies.
- (d) The suggestion that charities should be helped by tax concessions is extremely popular. When, after the 1981 budget, people were given in a poll a list of seventeen measures which they would have liked to have seen in the budget, the third most popular proposal (after raising retirement pensions and tax allowances) was tax concessions for charities. In fact, the 1980 budget gave about £30 million in tax relief for charitable giving and that was the biggest incentive to charities for half a century.

PRIVATE AND CONFIDENTIAL

LIAISON COMMITTEE - MEETING TO BE HELD IN NO 10 DOWNING STREET
AT 2.30 pm ON FRIDAY 10 SEPTEMBER 1982

AGENDA

- FLAG A 1. Presentation of Social Security Policies
Revised draft - to be circulated
- FLAG B 2. Presentation of Education Policies
Revised draft - circulated herewith
- FLAG C 3. Note by Minister of State Treasury, dated 1 September 1982
Already circulated
- FLAG D 4. Presentation issues for the Autumn
Note by Chief Press Secretary, already circulated
- FLAG E 5. Diary of Events
Note by Chief Press Secretary, to be circulated
6. Any other business
7. Date of next meeting

Notes

1. The Secretary of State for Health and Social Security is invited to attend for item 1.
2. The Secretary of State for Education and Science is invited to attend for item 2.
3. The Director of Marketing, CCO, has been appointed a member of this Committee.