



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

FROM THE SECRETARY OF STATE

Sir Peter Hordern MP
House of Commons
LONDON SW1A 0AA

Prime Minister²

cc MA (with letters)

28 April 1986

DLW

30/4

Dear Peter.

Thank you for your letter of 23 April on behalf of the Executive of the 1922 Committee about the Government's provision for expenditure by local authorities on education. I am grateful for the sustained support which I have had from colleagues in the prosecution of our education policies and pleased that you should have put so clearly to me the Committee's concerns for the future.

I accept that the state of our school buildings and the provision of books and equipment in schools are matters of widespread concern. I think that we also share a perception that simply making more resources available to local education authorities would not of itself put matters right. In successive public expenditure White Papers we have given priority to provision both for repairs and maintenance and for books and equipment within the overall plans for education. Although there is evidence of some real-term increases in spending, particularly on repairs and the provision of equipment, the general response of local authorities has been unimpressive. I have accumulated evidence, for example, that some authorities have deferred expenditure on buildings maintenance in order to avoid cutting surplus school places or the number of staff whom they employ, despite falls in pupil numbers. Expenditure on books and equipment has been liable to suffer from similar short-sighted policies. Equally, the shortages in schools may result, as HMI have reported, from teachers' misperceptions of pupils' needs. What is abundantly clear is that local education authorities need to manage their resources better.

That said, I do not argue that better management will solve all the problems, some the consequence of accumulated neglect over a number of years. We acknowledged in "Better Schools" (Cmd 9469) that some increase in real levels of expenditure per pupil would be needed for the full achievement of our education objectives for schools. I have taken on board the Committee's view that we should now make a start in increasing resources and will draw to the attention of colleagues in our discussion

on public expenditure their strongly expressed opinion that education is now the most important priority. I think that you will appreciate that I can go no further than that at present.

You also raise the question whether more use of specific grants, particularly in these areas, would deliver better returns for the resources which the Government puts into local authority education. I believe that they will. And we have already gone some way to increase the use of specific grants in education. In 1983 I introduced a specific grant for the in-service education of teachers. In 1984 we passed the Education (Grants and Awards) Act which enables the holder of my office to pay education support grants up to a limit of 0.5% of planned expenditure on local authority education. Earlier this year, the Education (Amendment) Act raised that limit to 1% in order to accommodate payments of grant on new arrangements for midday supervision in schools. And the Education Bill now before Parliament provides for much wider powers to pay grant on the in-service education of teachers.

There may well be a case for going further still. For example, in response to the particular point which you make about books and equipment for GCSE, £20m over the two years 1987-88 and 1988-89 represented the maximum that I could authorise within the statutory limit on expenditure for education support grants under the Act. My powers remain strictly limited in this field. As you will know, however, Kenneth Baker has announced a review of specific grants in the Green Paper "Paying for Local Government" and we acknowledge there that there may be a case for some new specific grants, for example in the education field, in support of the Government's objective of raising standards at all levels of ability. That review is now well under way.

I am sending a copy of this letter to the Prime Minister.

Yours truly,

Kear