

PRIME MINISTER

BILATERAL WITH MR. BAKER

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

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

You also wanted to raise with Mr. Baker the future of the ~~Brompton~~<sup>London</sup> Oratory School (Flag D). Other matters Mr. Baker may raise with you are

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

#### Education Policy

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

(i) teachers in England and Wales will have to be given the £1<sup>1</sup>/<sub>4</sub> billion (at least) if the Government is not to be blamed for further disruption in the schools;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*DAN*

DAVID NORGROVE

17 September 1986

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PRIME MINISTER

Liaison with Universities

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

The present position is:

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

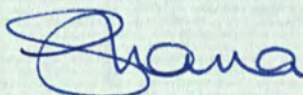
Mr Baker also suggests that another colleague be appointed to deal specifically with polytechnics, and has put forward Tony Baldry's name.

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

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

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



SHANA

17.9.86



DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

The Rt Hon Michael Alison MP  
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August 1986

*In Michael,*

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

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

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

*Michael*  
*Alison*

BETTER SCHOOLS: MEETING WITH JOHN ANSON

The Treasury Proposals

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

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



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

### Questions regarding the proposals

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

### Foundation of the new schools

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

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

#### Expansion and Contraction of Schools

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

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

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

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

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

#### Teaching staff

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

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

### Compulsory education and Admissions Policy

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

### Role of the DES

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

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

### Powers of the new LEAs

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

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

19. Will LEAs continue to be responsible for

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

### Curriculum matters

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

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

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

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

### Costs and Charges

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

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

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

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

BG.

BRIAN GRIFFITHS

PRIME MINISTER

17 September 1986

Bilateral with the Secretary of State for Education

Issues which might be raised

August

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

Sex education

Strong letter by Secretary of State to ILEA.

Coventry Agreement

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

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

salary structure

method of appraisal

working times, and  
non-contact time.

Are the DES ready to declare their hand?

### London Oratory School

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

### How to Get Better Schools: The Baker Strategy

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

#### (a) Curriculum Development

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

#### (b) Exams and Achievement

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

#### (c) Improving Quality of Teachers

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

(d) Parents and School Government

New role for parents as governors.

(e) New Schools

City Technological Colleges.

(f) Replacement for Burnham

Establish a national pay review body;

(g) New Powers for DES

Greater specific grants for education.

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

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

His note prompts two questions.

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



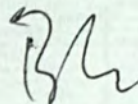
- contract between each college and central government,
- direct per capita funding of each college,
- non-union pay structure,
- more challenging curriculum,

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

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

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

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



BRIAN GRIFFITHS

- August 5 S/S: Issues new Circular about falling school rolls  
Interview on BBC Radio 4 'Today' Programme  
  
(Meeting the challenges of the next decade - to improve standards; respond to the effect of falling rolls and to make schools cost effective)
- August 5 Junior Minister (Mr Walden): BBC Radio 4 'World Tonight'  
Review of student awards  
  
(The review, announced with the rates of student grant for 1986/87 is to make a comprehensive review of grants to degree students)
- August 6 S/S: Issues new Circular on sex education in schools  
  
(The Circular says that all primary and secondary schools should have a policy for sex education and should keep parents informed about it)
- August 7 S/S: Announces £200m new initiative to improve quality of teaching - S/S on BBC Radio 4 'Today' Programme  
  
(The scheme could allow up to about 100,000 teachers a year to attend courses running from three days to a year)
- August 11 S/S: Articles in Woman's Own about Government plans for education
- August 12 S/S: Launches research project into attainment targets for primary mathematics  
  
(A £30,000 project, lasting 10 months to develop a range of assessment techniques and attainment targets)
- August 20 Facts cards about GCSE sent to all regional media  
  
(Briefing notes on what parents need to know, what the courses will comprise and how they compare with GCE and CSEs.)
- August 24 S/S: Article in News of the World about Government plans for education
- August 28 S/S: Announces extra £54m for polytechnics and colleges  
Interviews on BBC TV, ITV News, IRN and BBC Radio 4 World at One  
  
(Announcement of £715m in 1987/88; an 8% increase on 1986/87, enabling expansion rather than the contraction forecast by the NAB (National Advisory Body))

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

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

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