

CCBS



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My ref:

Your ref:

The Rt Hon Kenneth Baker MP
Department of Education and Science
Elizabeth House
York Road
LONDON
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13 October 1986

Dear Kenneth

EDUCATION OF NO AREA PUPILS: FUNDING ARRANGEMENTS *at flap*

Thank you for your letter of 2 October about funding arrangements for no area pupils. I have also seen your minute to the Prime Minister of 3 October.

All this is very unfortunate but I can quite appreciate that another successful court challenge from ILEA would be embarrassing and disruptive. If it is necessary to make the change to the funding arrangements to avoid such a challenge then it would be better to go ahead now, when those authorities who are net losers can benefit from my proposals for a 12p safety net on grant losses in the 1987/88 Rate Support Grant Settlement. As you rightly point out these proposals prevent Barnet losing further grant when the consequent GREA change is made. Indeed, if we were obliged to make the change later, as the result of a successful court case, then Barnet could not benefit from the protection of the safety net multiplier made at the time of the Settlement.

As you know, I issued the further consultation paper on the Settlement last Friday. This made it clear that if you decided to change the pooling arrangements for no area pupils, the consequent GREA change would be made in the 1987/88 Settlement. As we are now to go ahead, I suggest that our officials put a brief note to the meeting of the Grants Working Group on 16 October. Any difficulties about data could be mentioned then.

I am copying this letter to the Prime Minister, members of E(LA) and Sir Robert Armstrong.

Yours sincerely
Nicholas Ridley

NICHOLAS RIDLEY

Education Policy, PTA

