

CONFIDENTIAL

PRIME MINISTER

MAINTAINED FURTHER EDUCATION: FINANCING, GOVERNANCE AND LAW

At the E(EP) Committee meeting on Wednesday 28 October (E(EP)(87)8th meeting), we discussed the proposal in E(EP)(87)11 that two changes should be made to our reform package on maintained further education:

- LEA governors should not be barred from chairing governing bodies; and
- the 50% 'employment interests' category of governors should be widened to include cooptees.


Colleagues were concerned that these changes might interact to allow LEA interests to dominate governing bodies. I was asked to look at the proposals from this point of view.

2. I have looked again and am confident that they will not allow LEA dominance. The provisions in the Bill on the composition of governing bodies will not be the end of the story: we will in addition approve the Instrument of Government for every FE college.

3. The proposals will work as follows:

- a. the Bill will limit the proportion of governors representing the LEA to a maximum of 20%;
- b. we intend that all Instruments of Government will exclude local authority employees or representatives from the 50% 'employment interests' category, even where the authority is the largest local employer;
- c. through the approval of Instruments of Government we will control precisely how many and what categories of people may be coopted to each governing body. We would

Should this not be in legislation rather than through Instruments of Government? Otherwise a future Government could call in all the Instruments and shift the balance back to LEAs. The need for legislation would deter this.



keep the number of cooptees small.
Cooptees drawn directly from the LEA would be barred, and we could exclude other categories likely to support the LEA position; and

- d. through Instruments we will control the composition of the remaining 30% of governors. Some of these will be LEA-related (for example, college staff), but others independent (for example, parents).

4. Thus, combined with our control of instruments of government, the provisions in the Bill mean we can be confident that LEA-related members will never dominate governing bodies numerically. Given that, it must be safe to remove the proposed prohibition on LEA representatives chairing governing bodies. LEAs will not be able to secure the chairmanship for one of their governors against the wishes of the independent members.

5. As E(EP)(87)11 argued, we are proposing to give governing bodies control over budgets of up to £16 million a year. We cannot then say that we do not trust them to choose their own chairman. We must also take seriously the widespread concern that not enough businessmen and employers of the right calibre will be found to fill 50% of places on governing bodies. Extending the 50% employment interests category to include categories of cooptee controlled by us will give us the flexibility we need.

6. I am satisfied that our proposals will not permit LEA domination. I therefore conclude that we should proceed with them.

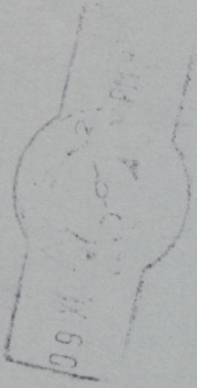
7. I am copying this minute to members of E(EP) and to Sir Robert Armstrong.

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ANGELA RUMBOLD

09 NOV 1987

Education! Policy, PT16.



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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

16 November 1987

Dear Mr Johnstone,

**MAINTAINED FURTHER EDUCATION:
FINANCING, GOVERNANCE AND LAW**

The Prime Minister has seen your Minister of State's minute of 9 November on this subject.

The Prime Minister is content with the proposals which your Minister of State makes. She notes however that they put considerable weight on your Department's power to approve Instruments of Government in order to avoid undue influence by local education authorities, rather than securing the position in legislation. She wonders whether it would be possible for the forthcoming Bill to bar co-optees from being drawn directly from the LEA as proposed in paragraph 3(c) of Mrs. Rumbold's minute.

I am copying this letter to the Private Secretaries to members of E(EP) and to Sir Robert Armstrong.

Yours sincerely,
David Norgrove.

DAVID NORGROVE

J. Johnstone, Esq.,
Minister of State's Office,
Department of Education and Science.

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BF.
no reply as
incorporated
into Bill



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cc BG
Am please.

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From: R T J Wilson
11 November 1987

MR NORRGROVE

cc Mr Monger

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MAINTAINED FURTHER EDUCATION: FINANCING, GOVERNANCE AND LAW

1. I have seen the minute of 9 November which the Minister of State at the Department of Education and Science has sent the Prime Minister on this subject.
2. The proposals seem reasonable so far as they go and I imagine that the Prime Minister would wish to agree with them. You may however wish to note that they place a lot of weight on the Department's role in approving Instruments of Government and would not necessarily be proof against a change of policy in the future. The legislation itself will limit the proportion of governors representing the LEA to 20% and will specify the figure of 50% for employment interests and co-optees. But it would be open to a future Secretary of State to call in all Instruments of Government and require every college of further education to resubmit proposals which might, for instance, exclude parents in favour of staff and students' representatives and allocate co-opted places to, say, people recruited from other LEA establishments, thereby shifting the balance to the LEAs.
3. You may therefore wish to consider suggesting that the proposal in paragraph 3(c) of Mrs Rumbold's minute, that co-optees should not be drawn from LEAs, should be put in the legislation rather than being left to DES's administrative discretion.
4. I attach a possible draft reply.

RTJ

R T J WILSON

CHIA

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DRAFT LETTER FROM MR NORGROVE TO PRIVATE SECRETARY TO MINISTER OF STATE, DEPARTMENT OF EDUCATION AND SCIENCE.

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*Copies to Private Secretary, F(FP) and
Sir Robert Armstrong.*

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